NOVA SCOTIA

A GUIDE TO

Marketing Your Nova Scotia Tourism Business

NOVA SCOTIA
Tourism Partnership

NOVA SCOTIA
Tourism, Culture and Heritage

A Guide to Marketing Your Nova Scotia Tourism Business

Prepared by:

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Table of Contents

Part I:

Section 1: Introduction 1

1.1 Purpose of the Guide 1
1.2 The Contents 2
1.3 What is Marketing? 2
1.4 How Does Marketing fit into the Business Mix? 3
1.5 The Marketing Concept - Running Your Business with a Marketing Orientation 3
The Strategic Plan 4
1.6 Market Segments 4
1.7 The Nine 'P's' of Tourism Marketing 5
Product (the 'Selling Proposition') 5
Price 6
Place 7
Promotion 7
Partnerships 8
Packaging 8
Programming 8
Positioning 9
People 9
Five Other P's? 9
1.8 Demand Generators, Demand Supporters and Traveller Services 10
Four Kinds of Business 10
Two Types of Locations 12
1.9 Start Up vs Existing Business 12
1.10 Effective Marketing in Today's Marketplace 13

Section 2: The Marketing Plan - What's Our Situation Today? 14

2.1 What is a Marketing Plan? 14
2.2 The Situation Analysis 15
2.3 Defining Your Business 17
2.4 Researching the Markets 17
Industry Information Available to You 18
2.5 Doing Your Own Market Research 20
Qualitative Techniques 20
Quantitative Techniques 21
2.6 The Competition 23
2.7 Comparable Businesses Research 24
2.8 Marketing Audit 24
2.9 SWOT Analysis 24
Strengths/Weaknesses 25
Opportunities/Threats 25

Table of Contents cont'd

Section 3: The Marketing Plan - Putting it All Together 26

3.1 Elements of the Marketing Plan 26
3.2 Establishing Goals and Overall Objectives 27
3.3 Developing Strategies for Growth - Prioritizing Target Markets and Products 27
Market Segmentation 27
Product-Market Positioning and Branding 33
Effectiveness Analysis and Product-Market Ranking 33
3.4 Setting Product/Market Objectives 36
3.5 Product Readiness 37
3.6 Influencing Demand - Programming, Suggested Itineraries and Packaging 38
Programming 38
Suggested Itineraries 39
Packaging 40
3.7 Internal Marketing 40
3.8 Customer Relationship Management 40
3.9 More on Market Positioning and Branding 42
3.10 Pricing 42
3.11 Key Marketing Techniques 43
3.12 Closing the Sale 43
3.13 Marketing Partnerships 44
3.14 Budgeting 46
3.15 Measurement/Evaluation 46
3.16 Adjusting the Marketing Plan 46

Section 4: Performance-Based Marketing 47

4.1 What is Performance-Based Marketing? 47
4.2 How to do Performance-Based Marketing at Your Business 48

Section 5: Pricing 57

5.1 Pricing Methods Used in Tourism 57
5.2 The Return on Investment Pricing Method 58
5.3 The Concept of Providing for Commissions and Discounts for the Travel Trade in Your Pricing 63
The Marginal Cost Effect 63
The Cost Displacement Effect 64
5.4 Is it Better to be Cheaper than the Competition 64
5.5 Revenue Management 65

Table of Contents cont'd

Part II: Introduction to Marketing Techniques For Tourism Businesses 67

Section 6: Internet Marketing 69

6.1 Internet Marketing 69
- Pure Growth in Online Advertising 70
- What Does This Mean to Your Organization? 72

6.2 Developing Your Website Strategy 72
- Selecting the Right URL 73
- Website Hosting 74
- The Importance of Strong Design 75
- Developing the Right Navigational Features 83
- Quality Content and Keeping Things Fresh 83
- Be Consistent with Your Messaging 84
- Closing the Sale Online 85
- Building a Website vs Buying Into a Website 85
- Keeping Your Website Up To Date 86
- Understanding Your Website Visitors 87
- Working with the Right Team 88

6.2 Your Internet Marketing Strategy 89
- Developing a Link Strategy 89
- Organic and PPC (Pay-Per-Click) Search Engine Marketing 91
- Viral Marketing 93
- Permission-based Email Marketing 93
- Content Site Advertising 94
- Online Advertising 95
- Podcasting 95
- Mail List Marketing 96
- Online Publications (e-Zine) 96
- Newsgroup Marketing 96
- Webrings 96
- Landing Pages 97

6.4 Embracing the Medium 99
- Developing Your Maintenance Schedule 99
- Stay on Top of the Competition and the Industry 99
- Budgeting 101

Table of Contents cont'd

Section 7: Advertising and Promotion 102

7.1 Introduction 102
7.2 The Advertising Plan 103
7.3 Designing Good Advertising 104
The Advertising Message 104
7.4 Media 111
7.5 Print Media 111
Newspapers 112
Magazines 112
Travel Guides 113
Travel Trade Publications 114
Yellow Pages 114
7.6 Broadcast Media 115
Radio 115
Television 115
New Technologies in Broadcasting 116
7.7 Outdoor Advertising 116
7.8 Direct Marketing 116
7.9 Contra Advertising 113
7.10 Cooperative Advertising 121
7.11 Niche Marketing 121
7.12 Media Selection 122
7.13 Using an Advertising Agency 123
7.14 Sales Promotion 124
7.15 In Conclusion about Advertising 125

Section 8: Brochures and Other Collateral Material 126

8.1 The Importance of Your Brochure 126
8.2 Types of Brochures 127
8.3 Brochure Content and Design 129
Brochure Size 130
8.4 Selecting Photographs 133
8.5 Other Design Considerations 134
8.6 Printing Your Brochure 142
8.7 Doing It Yourself 144
8.8 Distributing Your Brochure 145
8.9 Other Collateral Material 146

Table of Contents cont'd

Section 9: Direct Sales (Personal Selling) 149

9.1 The Personal Selling Plan 149
9.2 Selling Techniques 150
9.3 Demonstration Materials 152
9.4 Market Intelligence 152
9.5 Training Salespeople 152

Section 10: Other Important Marketing Methods for Nova Scotia Tourism Operators 154

10.1 Visitor Information Centres 154
10.2 Other Businesses 154
10.3 Check In 155
10.4 Provincial and Regional Travel Literature 155
10.5 Signage 156
10.6 Public Relations 157
10.7 Media Relations (Publicity) 157

Section 11: An Introduction to Packaging for Tourism Operators 158

11.1 The Rationale 158
11.2 Benefits to the Customer 158
11.3 Benefits to the Operator 159
11.4 Keys to Successful Packaging 159
11.5 High Season/Low Season Strategies 160
11.6 How To's - Planning and Design 160
11.7 Pricing the Package 164
11.8 Quality Management 169
11.9 Marketing Packages 170

Section 12: Marketing Through the Travel Trade 171

12.1 The Travel Trade 171
12.2 The Benefits of Working with the Travel Trade 171
12.3 Tour Operators and their Products 172
Market and Product Trends in Travel Trade Products 173
12.4 Offer the Appropriate Commissions, Net Rates and Travel Trade Policies 174
12.5 Selling to the Tour Operator 176
Working with the Department of Tourism, Culture and Heritage and Your Regional DMO or Tourism Industry Association 176
Collateral Materials 177
Website Page for Tour Operators 177
Attendance at Travel Trade Marketplaces 177

Table of Contents cont'd

Direct Sales Calls and Sales Missions 178
Tips for Successful Selling to Tour Operators 179
Direct Mail Solicitations 180
Other Marketing Activities That Can Assist 180
Follow Up is Key 180
12.6 Working with Receptive Operators 181
12.7 Managing the Relationship 181

Appendix I: List of Tourism Industry Contacts

Appendix II: Details on Nova Scotia's Tourism Markets

Appendix III: Blank Worksheets

Appendix IV: Personal Information Protection and Electronic Documents Act (PIPED)

SECTION 1

Introduction

SECTION 1

INTRODUCTION

1.1 Purpose of the Guide

This is one of a series of tourism development manuals commissioned by the Tourism Division, Department of Tourism, Culture and Heritage to assist Nova Scotians in the establishment of tourism businesses and in planning for the delivery of tourism services in the province. This publication is designed as a guide for owners and managers in Nova Scotia's tourism industry who are interested in expanding their understanding of the how-to's of tourism marketing. There are other manuals that deal with establishing different kinds of tourism businesses, such as a roofed accommodation, campground, local sightseeing tour, receptive tour operator, restaurant, tourism retail business, an attraction and an adventure tourism operation. There are also manuals on how to plan for, develop and market tourism in your community, and on the operation and establishment of a local visitor information centre. The manuals were originally prepared in 1996 and 1999, and updated in 2005 and 2006. A new manual on planning and hosting a community festival and event was prepared in 2005. This manual was updated in 2006.

The guide is designed primarily as a do-it-yourself manual for small to medium-sized, independent tourism operators. Whether you are already operating a tourism business and are looking to expand your revenues, or if you are thinking of buying a tourism business, or if you are thinking of developing a new business from scratch, you will find the guide very useful.

Each topic is developed to the level of achieving a basic understanding of the how-to's – basically a Marketing 101. An effort has been made to avoid too much jargon and make the content clear to individuals who have not had extensive formal training in marketing. Those who have had such training will find the guide useful in adapting their knowledge to the uniqueness of the tourism marketplace. In a number of instances we have provided illustrations to assist you in using a technique.

The guide will be particularly useful for the following kinds of businesses:

- Accommodations – resorts, hotels, inns, bed and breakfasts (B&Bs), campgrounds;
- Attractions – amusement parks, museums, heritage and cultural attractions, theatres;
- Local Tours and Activities – sightseeing tours, boat tours, adventure activity operators;
- Others who will find parts of the guide useful include:
    - Destination marketing organizations (Chambers of Commerce, tourism associations);
    - Restaurant operators;
    - Tour operators;
    - Festival and event organizers.

It is strongly suggested that the reader undertake efforts to verify any information on which their business plan is based and not rely solely on the information in this manual. There are areas where you may want to consider retaining the appropriate professional expertise to assist you. While the information contained in this manual is believed to be accurate, as of the winter of 2006, it is not so warranted. The reader should note that federal, provincial and municipal laws and regulations change frequently and it is recommended that you check with the appropriate authorities, listed in Appendix I, including representatives of the Tourism Division, Department of Tourism, Culture and Heritage or at numerous Access Nova Scotia centres around the province, to obtain up-to-date information on laws that may affect your business.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or expert assistance is required, the services of a competent professional should be sought. The information and analysis contained herein is intended to be general and represents the research of the authors and should in no way be construed as being definitive or as being official or unofficial policy of any government body. Any reliance on the Guide shall be at the reader's own risk.

1.2 The Contents

Part I introduces you to the basics of marketing as it applies to tourism (this section) and goes on to outline the how-to's of preparing your plans for future marketing activities (Sections 2 and 3). It also addresses Performance-based Marketing (Section 4), an approach that should be a fundamental component of all of your marketing activities.

Part II gets into the 'doing' of the various marketing activities. Section 5 explores various strategies to be followed in pricing your tourism product or experience. Section 6 addresses Internet marketing, including development of an Internet marketing strategy, websites and e-marketing. Sections 7 through 11 explore other marketing activities, including advertising and promotion, brochures and collateral materials, direct sales and packaging. Section 12 deals with doing business with and through the travel trade – primarily tour operators. A number of important "marketing tools" are presented – detailed how-to's dealing with designing your brochure, preparing an ad, and other such practical information.

1.3 What is Marketing?

The American Marketing Association defines marketing as "the performance of business activities that direct the flow of goods and services from producer to consumer… at a profit!"

Marketing is not just selling and advertising – those are simply two key parts of the overall marketing mix. It involves much more! It involves all of the following:

- Research and planning;
- Improving your products and services;
- Matching products and services with specific markets;
- 'Positioning' your offerings relative to the competition;
- Packaging;
- Event and activity programming;

- Partnering with others at the destination;
- Working with the travel trade;
- Pricing;
- Using the Internet and e-marketing techniques;
- Advertising;
- Selling;
- Printed materials;
- Promotions;
- Public relations;
- Media relations;
- Training and motivating staff;
- Measuring results and adjusting your marketing mix based on the results.

We'll come back to these shortly, when we deal with "the Nine P's of Tourism Marketing."

1.4 How Does Marketing fit into the Business Mix?

Peter Drucker, a leading management guru, has stated "Marketing is so basic that it cannot be considered a separate function… It is the whole business seen from the point of view of its final result, that is, from the customer's point of view."

There are a number of factors that determine whether a business is likely to be successful, and most of them have to do with marketing issues, or they connect very closely to marketing issues. So getting your marketing right will almost certainly mean the difference between success and failure.

1.5 The Marketing Concept - Running your Business with a Marketing Orientation

To be successful today, owners and managers of tourism businesses have to have a marketing orientation – a customer focus. That means everyone in the business must make decisions by asking the question, "How can I best meet the needs of the market and the individual customer?" Marketing orientation can be defined as follows:

> *"Marketing orientation is a way of thinking - a frame of mind. It is, if you like, a business philosophy. If you adopt a marketing orientation, it means that whenever you think about your business, you do so from your customers' point of view, not from your own. It means accepting the idea that the purpose of your business is to serve the wants and needs of your customers, and to meet or exceed their expectations.*
>
> *In other words, it means putting your customers first. For this reason, it is sometimes also called a customer orientation.*[1]

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[1] The Economic Planning Group, Tourism is Your Business: Marketing Management, prepared for Tourism Canada, 1986

Why is this so important? Why can't we just do what we think is best? Because satisfying a customer's expectations involves doing a lot of things right, and that doesn't happen easily.

Some tourism businesses think it is good enough to have a decent sign in front of their property and buy an ad on www.novascotia.com or in the Nova Scotia Travel Guide (Doers' and Dreamers' Guide) and then wait for customers to come. Others - those taking a marketing orientation to their business - make an effort to identify their best market prospects, modify their product to best serve the needs and demands of the different groups they are targeting, and then design their marketing activities to focus on these groups. While having a good sign and an ad in the Doers' and Dreamers' Guide will very likely be part of this approach, these should not be relied on, by themselves, to bring the business in the door.

The more interesting and appealing your tourism business is to the different market segments available, and the higher the quality of experience you provide to your customers, the more customers you will attract. And, customer loyalty comes from providing what the customer is looking for. With customer loyalty come repeat business, word of mouth referrals, and a willingness to pay the price for the product. If enough customers do this, your business will be a success.

The Strategic Plan

Developing your business in the context of **the marketing concept** requires a strategic plan for the business, one that identifies the best market opportunities along with all the key business features necessary to successfully and profitably pursue those opportunities. The strategic plan is an overall, long-term plan for the business, setting out the following:

1. The long-term vision and goals, and the measurable objectives for the business
2. The markets to be pursued and the marketing strategies and networks to be employed
3. The markets and services to be developed and delivered that will have the features necessary for them to succeed in the competitive marketplace
4. The resources that will be bought to bear in achieving success and profitability
5. The tracking tools to measure results.

1.6 Market Segments

This sounds like something fancy, but it simply refers to the reality that not all customers are the same; that there are distinctly different groups or 'market segments' potentially available to your business, each of them having various unique characteristics. Segments can be defined in different ways, such as the following:

- Geography – where they live;
- Demographics – their age, income, family composition, education;
- Psychographics – what their interests and tastes are, what they believe to be important;
- Purpose of travel – vacation, getaway, tour, adventure, business, meeting, visiting relatives;
- Means of travel – by auto, air, rail, ferry;
- Use-frequency and seasonality;

- How they buy – the channels of distribution – tour operators, by travel agents, etc.

These distinctions are important, as they will affect what products will sell to what markets, and how and where they can be marketed. Often a particular market segment will be made up of a combination of the above factors, and all of them will have in impact on marketing issues.

1.7 The Nine 'P's' of Tourism Marketing

Those who have taken training in marketing will recognize the classic "four P's"' of marketing – product, price, place and promotion. These all apply to tourism marketing, but with some modifications. Also, the tourism industry has a few extra P's to contend with; in fact, tourism marketers add another five of them, giving a total of nine P's all together. The other five include partnerships, packaging, programming, positioning and people.

Let's look at the nine elements more closely. (In preparing this guide, another five important P's were identified by the authors - planning, perishable, practical, profitable and performance measurement. We'll discuss these as well).

Whether it's nine P's or fourteen P's, each of them plays a role in marketing, and each of them affects how successful you will be in a competitive marketplace.

Product (the 'Selling Proposition')

From your customer's point of view, the product or service is the mix of **benefits** they expect to receive. They typically look at it a little differently from the tourism operator. Here are some examples.

> *The hotel operator sees him/herself in the business of renting rooms to travellers, while a traveller sees the product as an opportunity to get a quiet night's sleep, hassle free, with friendly courteous service when and if they want it.*
>
> *The adventure operator sees his/her business as teaching people to sea-kayak, then renting kayaks and guiding small groups on kayaking trips. A customer is more likely to see the product as a unique, exciting experience; something to remember and tell friends about.*

So what should the hotel operator be promoting? Nice rooms? Or peace and quiet, comfort and service?

And the adventure operator – should he/she promote sea-kayaking? Or should it be the fun, excitement and adventure of sea-kayaking? Or the eco-tourism experience of sea-kayaking? Or the healthy, outdoors experience? Or all of these?

This gets back to the issue of marketing orientation. Are you marketing your product from the perspective of the benefit to the customer? Or are you approaching this with a product orientation – that of "selling" the facilities and services you have? As we've seen, having a marketing orientation is much more important.

But the tourism industry is not universally good at having a marketing orientation; many in the industry see their challenge as "selling" their product, not providing a mix of benefits to customers. Too many tourism operators define their business by what they are making payments on! But this is just the infrastructure that supports the real product – the experience or benefit for the customer.

From a marketing perspective, tourism is an experience business. It's not a facilities business. Even with service businesses, such as accommodations, the quality of the customer's experience will have a big impact on which operator gets the business. People on leisure trips travel for quality experiences that appeal to them and, even on business trips, they seek out the more appealing traveller services. They are looking for benefits and they will make their selection on the basis of benefits – quality experiences.

In planning your products or services, you need to determine exactly what it is that your customers are actually buying – what they expect and what they wish to experience. Then you develop your products to fit your customers' expectations. And then you build your marketing plan to fit.

And remember that the overall experience for the customers has to do with more than the experience at your business. It includes the process of enquiring and booking as well as post-visit remembrances. It also includes the experiences they have in your community while they are there – dining, entertainment, sightseeing, meeting local community members, shopping, etc. Your product enhancement efforts need to include what you can do to improve these experiences for your customers as well.

Just to complicate matters, don't forget what we just talked about – market segments. Different types of customers have different sets of benefits in mind and are seeking out different experiences. You need to design quality "products" for each of the key market segments you are targeting.

Two key product strategies are to establish a **"unique selling proposition" (USP)** and a **competitive advantage** that differentiates you from the competition. A USP is some feature, or some combination of features, that makes your product special to a market segment, and that is presented to the consumer as a special reason to buy your product. An example would include an inn with Victorian character, or a restaurant with home-baked pies like grandmother made.

A competitive advantage is similar, but it relates to how your product compares to other products available to the customer. It may be better, cheaper, more comfortable, more ..... anything!

Price

This is an obvious marketing factor. It is important to have the "right" price for each product and market. The right price is a price that provides good value to the customer while producing a profitable sale for you. And the good value for the customer has to be seen by the customer to be so, and this is not always easy. Your guest room may be very nice, but if the service is slow or shoddy, is that good value? And if they have had a great experience, won't they feel more agreeable about the price you are charging? Certainly!

Competition has a big influence on price and on customer value perceptions. The more competition, the more the customer expects to be able to get more for less. Supply and demand is also a big factor. In high season, the customer expects to pay more, and vice versa.

Today, the tourism industry is increasingly employing **revenue/yield management** techniques, which are designed to provide 'the right price to the right customer at the right time'. What this really means is maximizing the price in heavy demand periods and maximizing business volumes in soft demand periods, all designed to maximize revenues at all times.

The how-to's of pricing are presented in Section 5.

Place

This refers to where and how your customers buy your product; essentially, it refers to the distribution system linked to the sale of your product. While your customers may call you directly for information and reservations, in tourism it is common that they would have a number of choices as to how they enquire and buy. In Nova Scotia, they have a particularly wide array of options, for example, they can visit (in-person or through the Internet), write, call, fax or email to any of the following:

- Your business;
- Your website, or the provincial tourism website, or the websites of regional/sectoral tourism associations, or any other websites that ultimately connect to your website;
- Your local Chamber of Commerce or destination marketing organization;
- Your local visitor information centre;
- Your regional tourism association;
- The Tourism Division of the Department of Tourism, Culture and Heritage;
- Check In;
- Other central reservations systems, such as those of the airlines and hotel chains;
- An online reservations system, such as expedia.ca or travelocity.ca
- A travel agent in their home community;
- A tour operator in their area;
- A tour operator in your area;
- A meeting planner here or there.

The implication is that your marketing efforts need to take into account the various ways your customer may wish to enquire or buy your product.

Promotion

There are a number of ways you can promote your products and services, and much of this manual will deal with these marketing tools. The major ones include:

- Website and e-marketing techniques;
- Advertising (a wide variety of media and techniques);
- Selling;

- Printed materials (collateral);
- Promotions;
- Public relations;
- Media relations/publicity;

These topics are dealt with in Sections 6, 7, 8, 9 and 10.

Partnerships

The tourism industry is unique in its extensive use of partnerships in marketing. The appeal is that they allow a tourism operator to stretch his/her limited marketing budget dramatically. Most small and medium-sized operators can't afford to promote themselves much beyond the local area and region using traditional marketing methods. (Modern Internet and e-marketing methods are changing this situation). They therefore depend in large part on other tourism marketing groups and various cooperative marketing programs to carry their product to market; these include those of the Tourism Division of the Department of Tourism, Culture and Heritage, The Doers' and Dreamers' Guide, Visitor Information Centres, destination marketing organizations and tourism associations in their area (and the websites of these organizations) and Check In, to name only the major ones.

Partnerships also play a big role within the local community, in packaging (see below), in cross marketing ("you promote me and I'll promote you") and in special events (like festivals and themed events) and various other kinds of promotions.

Packaging

A package is typically a mix of attractions and/or activities at a destination, combined with various traveller services, and sold at a single price and in one transaction. The package may be the creation of one or more tourism operators working together, or it may be the product of a third party, such as a professional tour operator or a travel agent, for example. This can be a very effective activity for a partnership of operators in the community.

The most unique aspect of a package is that it is a product in its own right, different from the various other products built into it. A well-designed package is one that is built around experiences that appeal strongly to one or more specific market segments, and that is promoted to these markets. A good example is a weekend 'value' package for families at a hotel or resort having an indoor pool, including special activities for the kids, evening babysitting service or special kids' menus and offered at an affordable price.

We will deal with packaging in Section 11.

Programming

One of the problems with the tourism business is that many products are based solely on the facilities available; such is the case with an accommodation property or a museum, for example. And this is a problem when it comes to providing customized products to different markets, and particularly to attracting customers in traditionally slow business periods.

A way of dealing with this is through special programming – activities and events that are staged at appropriate times to complement the regular offering and provide new appeals. Examples of programming are a children's program at a resort, a murder mystery weekend at an inn, a wine tasting event, or a fall music festival in a community. The idea is to create new experiences and new appeals, using, but not relying upon, your facilities alone.

A similar effect can be accomplished by simply suggesting things for visitors to see and do in combination with purchasing your product, and also through the offering of packages. These topics are expanded upon later in this manual.

Positioning

Good marketing requires you to match the appropriate mix of products and services to the appropriate target markets. In other words, we need to "position" these products and services for their respective markets. It is also called product-market matching. But, for marketing it also means how you take the product to market – what messages you communicate to your target audience.

Hotel chains and franchise restaurant companies are very careful to establish a clear and strong market positioning through their brand and their messaging. For example, McDonald's positions itself as THE family fast food restaurant, and even brands their major menu items as well.

Independent businesses will position themselves in their local community, carving out a niche for themselves in their market and present their product in a fashion that features their unique appeals and competitive advantages.

People

What has this to do with marketing? Everything! As often as not, it's people who make the customer's experience special, or who make it a disappointment. Well motivated, knowledgeable staff who are good hosts as well – striving to exceed the customers' expectations – is what it takes.

This involves high standards of customer service, and something more – establishing a direct relationship with the customer that leads to repeat business from them – a loyal customer. This is called 'customer relationship management'; or CRM for short, and will be discussed later in the manual.

Five Other P's?

The foregoing are generally accepted as encompassing the field of tourism marketing. If you are good at the nine P's, you will likely succeed. But there are a few other factors that should be mentioned. They may be inherent in the first nine, but they are all important factors in marketing success over time and should be acknowledged. They are:

- **Planning** – This is critical to making sure all the other P's work together properly.
- **Perishable** – Unlike retail products, most tourism products "evaporate" on any day they

are not sold. This is certainly true of guest accommodations, transportation services, car rentals, attractions and activities. These things can't be carried over in inventory if they don't sell today. They can perhaps be sold tomorrow, but the revenue potential for today is lost forever. This presents a special marketing challenge. The modern field of yield management (used by the airlines), or revenue management (the term used by hotels), has evolved over the past decade to respond to this challenge. We will look at this briefly in Section 5.

- **Practical** – A marketing program is not feasible if it isn't practical for the company involved. There has to be a sufficient marketing budget to have market impact, staff to see it through, and the products and services to meet the expectations that the marketing activities create. (Words like luxury, first class, exclusive, the best, all season - and a thousand other expressions - all create expectations that have to be fulfilled).

- **Profitable** – Almost last, but certainly not least, the marketing has to be profitable. Marketing has to bring enough new business, at a profitable price, to more than cover its cost. This is no small challenge.

- **Performance measurement** – Finally, your marketing efforts have to be tracked and the results measured if you are to know what works and what doesn't – and particularly what is profitable and what isn't. And, most importantly, your marketing efforts must be adjusted based on the results of your tracking and performance measurement.

And there are our fourteen P's of tourism marketing. (We left out persuasive, persistent, pervasive, penetrating, pragmatic, promising, proposition, progressive and probably a few others!)

1.8 Demand Generators, Demand Supporters and Traveller Services

The kind of business you operate and where it is located are key factors in the kind of marketing you will need to do. There are fundamentally four kinds of businesses and two kinds of locations in this respect. It will be important for you to define which of them fits your situation.

Four Kinds of Businesses

People travel to destinations to do things of interest to them. As we have mentioned, different market segments travel for different reasons and different things will motivate them to make a trip. It is recognized that the activities available at a destination – attractions, things to do and see – can, on their own, generate trips from certain market segments. We call such things **primary demand generators**. There are some kinds of businesses that are in this category – major resorts, major attractions, convention centres, festivals and special events are examples.

The same demand generators may appeal to other market segments as well, but as a **contributing demand generator**. In other words, a major attraction or a resort may not be the main reason for the trip, but something that contributes, among other things, to the decision to make the trip or to select that destination.

For still other markets, the same activity, attraction, resort, etc. may not, in fact, contribute to motivating the trip at all, but it may be of sufficient interest to a market segment to motivate them to add it to their agenda while they are at the destination. In such cases, the activity, or the business, functions as a **demand supporter**. Also, there are some kinds of businesses that may be the same type as demand generators but whose demand generating appeal is more modest and they also play the role of demand supporters. This is commonly the case with things like local sightseeing tours, museums, unique restaurants, entertainment facilities, specialty shopping and the like.

Finally, people who travel require a range of **traveller services**, the things that travellers need when away from home. These don't contribute significantly to reasons for making a trip, but they are important to visitors while they are at the destination. Businesses in this category make up a very large part of the tourism industry. They include most types of commercial accommodations, restaurants, airlines, car rentals, etc.

Businesses that are primary demand generators have the greatest marketing challenges. They have to be able to reach the customer well before they leave home. They have to catch their attention, hold their attention, motivate them to buy, and motivate them to buy their product at their destination. Not a small task! This kind of marketing is expensive, is widely dispersed among different markets and usually has to sell the destination as well as the product. (This situation is changing with the Internet and the widespread use of hyperlinks, which make this marketing challenge more feasible and more cost effective for small and medium-sized operators). These businesses will generally market themselves as some combination of contributing demand generators, demand supporters and traveller services as well, to attract business from people who are already considering the destination.

Demand supporters and traveller services generally limit their marketing to segments that are already en route to their location or are already in the area. The larger ones and the chains will extend their marketing through the use of brand promotion and customer relationship management techniques, including direct marketing (e-marketing and direct mail).

The situation is somewhat similar for the business travel market. In this case, demand supporters and traveller services may market to business travellers before they leave home, through brand promotion and direct marketing. The chart below generally illustrates how different types of tourism businesses might focus their marketing efforts. (Major marketing activities are indicated by double check marks).

Focus of Marketing

	Primary Demand Generators	Contributing Demand Generators	Demand Supporters	Traveller Services
Leisure Markets				
At home	✓✓	✓		
En route	✓✓	✓✓	✓✓	✓
In the area	✓✓	✓✓	✓✓	✓✓
Business Markets				
At home	✓			✓
En route	✓	✓		✓
In the area	✓✓	✓✓	✓✓	✓✓

Two Types of Locations

As mentioned, the type of location a business is in will also have a major impact on the marketing it does. Those located in or close to major destination communities or areas, such as Lunenburg or the Cabot Trail, can "piggyback" on the appeals of the destination and on the marketing activities of the demand generators and other marketers at their destination. They will generally engage to a greater extent in marketing the destination as well as themselves – generally in cooperative marketing programs of community destination marketing organizations, such as chambers of commerce.

Those in more remote, rural areas will generally focus more on promoting themselves as a destination in their own right, and less on cooperative marketing with others in the immediate area. At the same time, these businesses should consider participating in the co-op marketing programs of their regional tourism association. There are a number of these associations in Nova Scotia and all of them are active in co-op marketing programs.

1.9 Start Up vs. Existing Business

A new business has more to do than one that is well-established. The new business has to introduce itself to its target markets, build awareness of the unique appeals of its offering, and invite people to sample the product. It also has to engage in the same kinds of marketing as the established business.

The established business will focus more on building market share, maintaining customer loyalty, giving new reasons for customers to return and marketing packages to attract new markets.

We will address all of these activities in this guide.

1.10 Effective Marketing in Today's Marketplace

In the 21st century, it is becoming clear that the following have become the ingredients for success in tourism product marketing:

1. Sell the experience (the benefits to the customer), not the facilities and services;
2. Focus on wants, not needs;
3. Service the top 20% of your market – your best customers – they give you 80% of your net return;
4. Manage all points of contact with your best customers;
5. Partner and market with others to deliver 'lifetime experiences' if you are in the experience business;
6. Research 'the why' with your customers – their wants – not the who, what and when;
7. Stress value, not price.

SECTION 2

The Marketing Plan – What's Our Situation Today?

SECTION 2

THE MARKETING PLAN – WHAT'S OUR SITUATION TODAY?

Before getting into details about the different marketing activities you are likely to consider, we first have to talk about preparing a marketing plan. Why? Because we suspect you have only a limited budget, marketing is expensive, and it's easy to blow your budget without it doing much good. But, with a good plan, you can make your limited marketing budget work, and work well.

Don't be steam-rolled by advertising sales people – figure out where your budget is going to do the most good and go out and buy the right marketing for your particular business situation.

There are perils in not having a good plan:

1. Your competitive edge is at risk;
2. Crisis management will prevail – decisions will be reactive rather than proactive;
3. Your organization will pursue diverse directions and redundancy, with no clear focus on important objectives;
4. You will be at the mercy of outside influences;
5. Why let your competitors dictate your actions, which will be the inevitable outcome.

We will address the topic of the marketing plan in two stages – this section will deal with assessing the situation you are confronting in the marketplace, while Section 3 will deal with putting the actual plan together, along with all of the projects and activities involved.

2.1 What is a Marketing Plan?

A marketing plan is a working document that identifies opportunities, sets achievable objectives for the future, usually a year; lays out a list of action steps that will help you meet those objectives and identifies how you will measure the results of your marketing actions.

The "Marketing Plan" is broad in scope and encompasses a number of topics. It answers the questions – "Where are we going?" and "How do we get there?"

The plan should spell out exactly how you intend to grow your business and, periodically, you should be able to measure the results, evaluate the various elements and determine what worked and what needs to be modified. The results of each marketing plan will provide the foundation for the following year's plan. In particular, a good plan can help accomplish all of the following:

- It can help you achieve a marketing orientation in the way you plan your business activities over the course of a year and into the future (see Section 1.5 for a discussion of this).
- It can provide you with feedback on what worked and what didn't, and help you build better plans in future.
- It can provide you with tools to ensure your business is operating effectively and you're meeting your financial targets.
- It can help you decide how to best spend your money over a wide variety of marketing activity options.
- It can provide you with a better understanding of how to react when competitors change their services, facilities, prices and/or marketing approaches.
- It can provide you with a better understanding of your customer, which will help retain the customers you have as well as attract more in the future.

The marketing planning process involves a number of steps:

- Situation analysis – the business review
- Setting marketing objectives
- Developing strategies
- Designing marketing activities for each key market being targeted
- Establishing your budget and tracking measures
- Evaluating results
- Adjusting your plan and marketing activities in response to the results obtained.

Exhibit 1 presents a graphic illustration of the process. We will briefly discuss the situation analysis step in this section and then deal with the others in Section 3.

2.2 The Situation Analysis

The development of an effective marketing plan depends on a thorough understanding of the facts surrounding your business. Thus, a complete review is needed before you develop the strategy. This is often called a situation analysis or background review. Omitting or misinterpreting relevant facts about your business and the business environment in which you operate, will, at this stage have a negative impact on the outcomes of your marketing strategy – it simply may not work. Therefore, it is critical to be diligent and objective throughout this stage of the process.

There are a number of steps in completing a business review, or situation analysis, as follows:

- Defining your business
- Researching the markets
- Assessing the competition
- Assessing your marketing resources
- Assessing your current marketing programs
- Identifying your strengths and weaknesses
- Identifying the opportunities available and the threats to your business
- Identifying marketing partnership opportunities.

Let's look at each of these briefly.

Exhibit 1
Preparing a Marketing Plan

2.3 Defining Your Business

What business(s) are you in? You need to get a fix on this question first if you are going to be able to build an effective marketing plan. And it needs to be approached from a marketplace perspective – the benefits you give your customers – the experiences that attract them to you (not what you pay your mortgage on!). It is also important to understand what else has to be included in the customers' purchase decisions, as you may be called upon to help with their planning and arrangements.

Are you a demand generator, a demand supporter or a traveller service? Is this the same for all of your target markets? As we have seen, this will have a great deal to do with where and how you market.

2.4 Researching the Markets

For professional researchers, market research often has to do with consumer surveys, focus groups and statistical databases. But this is mainly undertaken by governments and large corporations who can afford it, because it is usually expensive. Large consumer surveys are not commonly undertaken by small and medium-sized tourism operators.

Market research for the business person means something else. It is simply the collection and evaluation of information about customers and the marketplace more generally, usually on a do-it-yourself basis, but most surely it will be through affordable methods.

The purpose of market research for the business person is reducing risk – reducing the chances of making a mistake. It does that by providing information that helps you make better marketing decisions – information such as why people really buy your product, or why they don't – information such as what media they watch/read/listen to.

Consumer surveys are certainly one method, but other methods are available, such as:

- Talking to customers
- Talking to your staff about customers
- Reading the magazines your customers read
- Reading research reports and information on the tourism sector available through websites
- Watching trends in your sales and in what people are buying from you
- Talking to your suppliers about trends in their sales to your type of business
- Talking to your competitors, and observing the things they do that seem to work
- Talking to the travel trade companies you do business with
- When attending travel trade or travel consumer shows, visiting booths, picking up literature and talking to exhibitors.

All of these methods are useful and inexpensive. Many tourism operators who claim not to do research, in fact do these things all the time. But there is also a wealth of published information that can be helpful too.

When should you plan to do market research? You should do research when you have questions that need answering; and when the cost of making a mistake is considerable. It's better than seat-of-the-pants guesses; more politely called "instinct". That's not to discredit instinct – instinct based on experience is really insight, and insight is what we're after. But instinct without real insight is just guessing, and that's dangerous. *The best approach is to combine insight based on experience with additional insight gained from assembling and assessing market information.* So market research is important, even for the pros in the business.

But research can also be a waste of effort and money – you have to be careful. When does this happen?

- When the cost of research is greater than its value
- When the budget is too small or the time is too tight to get the job done reasonably well
- When the problem hasn't been clearly defined
- When the method does not lead to a reliable answer or a reasonably accurate insight
- When common sense tells you the answer.

We mentioned that there is a wealth of published information relating to Nova Scotia's tourism industry and its markets that can potentially help you. A summary of some key sources is provided below. Contact information and website addresses are provided in the Appendices.

Industry Information Available to You

A wide variety of industry information is available – much of it research that federal and provincial tourism departments have undertaken. This kind of market research is called 'secondary research'; since others did it, you are just using it. This is opposed to 'primary research'; the research with consumers you do yourself. Much of this secondary research is posted on the websites of relevant organizations and is readily accessible. Here are some examples and sources of secondary research information:

- *Tourism websites:*
  - Canadian Tourism Commission (CTC) (www.canadatourism.com)
  - Nova Scotia Tourism Partnership Council (www.nstpc.com)
  - Nova Scotia Vision for Tourism (www.nstourismvision.com)
  - Department of Tourism, Culture and Heritage (www.gov.ns.ca/dtc)
  - Tourism associations, such as Tourism Industry Association of Nova Scotia (www.tians.org)

- *Subscription newsletters (print and/or electronic):*
  - Tourism Daily News (CTC) (www.canadatourism.com/ctx/app/en/ca/registerEmail.do)
  - Tourism Insights (Nova Scotia; available only on-line at (www.gov.ns.ca/dtc/pubs/insights)
  - Tourism (Canada's tourism business magazine published by the CTC)

- *Travel Statistics:*
  - Canadian Travel Survey (available through the CTC website)
  - International Travel Survey (available through the CTC website)

- Nova Scotia tourism statistics, including occupancy data, and Visitor Exit Surveys (periodic). These can be downloaded from the Department of Tourism, Culture and Heritage's website (www.gov.ns.ca/dtc) and following the links through Tourism Insights.

- *Population data:*
  - Canadian population census data is available from Statistics Canada at www.statscan.ca . The Community Profile section provides data on communities across Canada
  - US population census data from the US Census Bureau (www.census.gov).

- *Tourism related magazines:*
  - Canadian Geographic
  - Conde Nast Traveler
  - Travel and Leisure
  - National Geographic Traveler
  - Hotels
  - Lodging
  - Specialty magazines catering to various types of leisure interests and niche markets – heritage, the outdoors, etc.

- *Conferences:*
  - TIANS fall Tourism conference
  - National/international conferences on sectors of the tourism industry.

- *The Internet:* A wide range of information is available on the Internet. Use search engines such as Google and Yahoo and key words to find a wide range of studies, reports and articles as well as websites of similar businesses elsewhere.

- *Tourism Division, Department of Tourism, Culture and Heritage:* This division supports the growth and development of tourism as a key sector in the economic growth of the province. Its functions include planning and development, marketing and operations, as well as research. In association with the Nova Scotia Tourism Partnership Council (TPC), the Department is responsible for marketing Nova Scotia as a tourism destination.

- *The Nova Scotia Tourism Partnership Council:* An industry and government partnership that shares in planning and decision making for tourism marketing, research and product development in the province. The TPC works with industry stakeholders to realize Nova Scotia's potential as a world class four season destination. The TPC has its own website (www.nstpc.com) that provides information on its activities as well as opportunities for industry to participate in a range of programs, including marketing partnerships.

  The TPC's Vision Committee spent two years (2000 – 2002) developing a Vision for Nova Scotia's tourism industry. The Vision, "100% Tourism Revenue Growth by 2012" is being driven by 11 recommendations covering critical elements of the industry. The Tourism Vision is a catalyst to assist Nova Scotia's tourism industry to evolve and grow. It is not cast in stone but is an 'unfolding process'. Information on Nova Scotia's Vision for Tourism, as well as a variety of information on the tourism sector can be found on their website at www.nstourismvision.com.

- *Annual Tourism Plan and Partnership Opportunities:* Each year the Nova Scotia Tourism Partnership Council develops a Tourism Plan that sets out the strategic priorities for action in tourism in Nova Scotia. The plan is available from the Tourism Partnership Council website. The TPC also produces a Tourism Partnerships and Programs Book (also available on the website) which describes the marketing partnership opportunities and other programs in which the industry can participate.

- *Regional tourism association marketing initiatives:* Most regional tourism associations in the province have marketing plans for their region that have been developed over the years. These can provide insight into tourism opportunities in the region, and also identify co-op marketing opportunities. A list of contacts is provided in Appendix I.

- *Regional Development Authorities:* The RDAs are also involved in tourism development, some regions more so than others. They may have research reports that identify tourism development opportunities as well as other background information of use to operators.

- *Other industry and sector associations:* The Tourism Industry Association of Nova Scotia (TIANS) and numerous sector associations, such as the Restaurant Association of Nova Scotia (RANS), Hotel Association of Nova Scotia (HANS), Nova Scotia Adventure Tourism Association (NSATA), Nova Scotia Bed & Breakfast Association, also have access to a variety of sources of information that might be useful to you.

- *Other government departments:* Other provincial and federal government departments, particularly those that have some involvement in tourism, might also have secondary research information available to assist you. Try organizations such as Enterprise Cape Breton Corporation (ECBC) and the Atlantic Canada Opportunities Agency (ACOA).

2.5 Doing Your Own Market Research

There are various methods of primary research you should consider – research you can do with your customers and other consumers. Here are popular methods that are generally affordable to small and medium-sized tourism businesses.

Qualitative Techniques

These are methods that give insights and observations, but that are not statistically representative of the marketplace as a whole.

Observation

Watching the behaviour of your customers, listening to their comments and complaints, observing customers at a competitor's establishment, and other such activities are examples.

Personal Interviews

One-on-one discussions with customers, competitors, competitors' customers, operators of complementary businesses are examples.

Focus Groups

Organized discussion sessions with small groups of customers and non-customers to discuss perceptions, problems, ideas, and so on.

Quantitative Techniques

These methods can be statistically representative of the marketplace as a whole, as long as the sample sizes are sufficient and sampling methods are appropriate.

Mail/Email Surveys

Questionnaires mailed or emailed to former customers or other target groups, or to a database of contacts you have developed (The Federal government's Personal Information Protection and Electronic Documents Act (PIPED) provides some guidelines as to the use of personal information you collect on your clients – see Appendix IV for more information).

Telephone Surveys

Telephone calls to a sample of customers, potential customers, or any other group of people.

In-house Customer Surveys

In-room/on-premise guest questionnaires, comment cards, front-desk card questionnaires, front-door/front-desk interviews, and so on (see below).

Exhibit 2 summarizes the advantages and disadvantages of the six primary research methods listed above.

Here are some types of information you will probably want to research:

- *Customer characteristics - family/couple, group, age and income level, purpose for their trip, etc.* (identifies your market segments);
- *What attracted them to your business or to your competitor's business* (suggests the product features and appeals that are working for you, and what your competitive advantages and disadvantages are seen to be);
- *How they heard about you* (suggests what marketing is working for you at present);
- *How far in advance they decided to visit you* (tells where and when to focus your advertising);
- *How long they stayed and how much they spent* (suggests their level of satisfaction);
- *What they thought of the experience* (also suggests the degree to which you are meeting/exceeding their needs; what you might improve; what you might feature in your marketing);

Exhibit 2
Advantages/Disadvantages of Market Research Methods

Method	Advantages	Disadvantages
1. Observation	• Does not necessarily require person's consent. • No need to bother customers. • Cost is low if done on-site. • Data are quickly obtained. • Information is gathered "as it happens".	• No opportunity to ask questions or to probe. • Information is obtained indirectly and may be incomplete. • Impossible to observe such things as motivations, future plans, past behaviour, and so on.
2. Personal Interviews with your customers – at your business, or at their home post-visit, by phone	• High response rate. • Response is fresh, if conducted while they are at your establishment. • Interviewer helps explain meaning of questions. • Open-ended questions may be used. • Respondent may be observed. • Complete answers may be obtained by probing or re-phrasing questions. • Answers may be pre-coded in the field by knowledgeable interviewers.	• Interviewer bias. • Harder to get people at home. • Cost is high in outlying districts. • Personal questions poorly answered. • People may not be relaxed. • People tend to "tell you what you want to hear". • Can be expensive.
3. Focus Groups	• Same advantages as personal interviews, plus. • The group discussion can draw out responses. • More relaxing and less intimidating than one-on-one interviews. • Ideas and problem areas can be more fully explored. • More honest responses than personal interviews.	• Difficult to arrange a convenient time and place. • Requires a large commitment of time and effort by respondents. • Some individuals can dominate the discussion, or sidetrack it. • Focus groups are expensive. • Requires a professional facilitator and research house to set up the focus groups.
4. Mail/Email Surveys	• Can cover a large geographical area at a reasonable cost (mail) and at a very low cost (email). • More respondents can be reached more easily by mail or email than by telephone. • Responses are completed at leisure. • Anonymity, so answers are frank. • No interviewer bias.	• Low response rate. • Not everyone has email. • Appropriate mailing list is hard to obtain, and likely expensive as well. • If response rate is low, cost per response is high. • Respondents may not be representative of the population. • No control over response.
5. Telephone Surveys	• Data are obtained quickly. • Data are up-to-date. • Good response rate.	• Interview must be brief. • Rapport with respondent may be hard to establish. • This is an expensive type of research and the analysis can be complex. • Response rates are declining.
6. In-house Surveys (other than personal interviews)	• Opinions are obtained when they are fresh. • Customers are readily accessible at little cost.	• Not necessarily fully representative of the population. • Needs to be kept short and easy to complete.

Source: Economic Planning Group

- *Whether they would recommend your business to others* (another way to get at their satisfaction level).

Simple customer surveys can be used to get a sense of what people think about your property.

One of the authors of this guide was formerly the manager of a cruise business, which employed in-house surveys of its passengers. He read every survey form personally. He also handled every written complaint himself, whether or not he had been party to the problem at the time. He found both of these practices gave him critical insights into problem areas as well as evidence of what was working well. A side benefit of this process was that his staff knew he did this, and it certainly helped keep them on their toes.

The benefit of computers today is that small independent tourism operators can collect and track as much about their customers as can multi-national resort and hotel chains. A simple database on your customers can form the core of your market research. This type of database can be set up and managed with key information about them – where they live, how they booked – basically information that is contained in your normal business records. This information will prove invaluable when it comes time to advertise and develop plans to grow your market. It is also important in embracing a performance-based marketing approach, which will be explored in detail in Section 4.

Direct comments from customers are always useful to get a sense of how your product is being accepted in the marketplace. These can be both solicited and unsolicited comments, formal (customer surveys) and informal. Don't be afraid to ask your customers what they thought and what improvements they might suggest.

2.6 The Competition

Based on how you defined the business you are in, a review of your competitors is necessary to identify where you are in the marketplace – how your unique selling propositions (USPs) compare to theirs, what your competitive advantages and disadvantages are. This will help you understand why customers are deciding between your operation and those of your competitors. This should also give you ideas of how you can improve your own offering, your USPs and competitive advantages, and/or how you can improve your marketing approach. (You may also be able to "steal" and adapt a good concept being used by a competitor).

A valuable source of research is from competitors' marketing materials including brochures, their websites, ads in travel guides and other publications, as well as their pricing structure, which is all public and very accessible market information.

Visiting competitors' properties and experiencing their service is also a very important aspect of market research.

2.7 Comparable Businesses Research

An excellent form of research is visiting businesses similar to yours at other destinations, particularly destinations that are known to be successful in your kind of business. Talk to the management and ask what makes them successful. Unlike your competitors at home, these operators are less likely to be concerned about competition from you and, because most people love to talk about what they're proud of, they may very well open up and give you lots of good ideas and insights. The authors consider this to be one of the most effective kinds of market research around. Something that is proving to work elsewhere is likely good evidence that it may work at your location. (But be cautious for there are bound to be differences in your location that may make this invalid. Don't rely on this type of research alone).

This kind of research is important for another reason. Because tourism today is truly a global industry, Nova Scotia operators have to be prepared to offer a world-class product in order to meet the needs of travellers coming from across Canada and the US as well as from overseas markets. As a tourism operator, your product, pricing, service quality and overall experience should consider what your customer is accustomed to when travelling in different destinations. A visit to other establishments at well-regarded destinations is certainly one way to get a first-hand look at how you compare.

Another approach to visiting comparable businesses yourself is asking your customers what they liked about businesses similar to yours in other locations, either within Nova Scotia, or in other parts of the world – and what was important to them and why.

You are likely to get employees come to work for you who have worked at other similar businesses elsewhere. Ask them to help you critique your USPs and competitive advantages relative to those they have experienced elsewhere.

2.8 Marketing Audit

If you are already in business, your business review should include an evaluation of your current marketing activities. Essentially, you will need to evaluate what is working and what isn't. Several tools exist to provide indications of this. The how-to's of measuring the effectiveness of your marketing on the performance of your business, and of using the results to refine your marketing plan, are explored in detail in Section 4.

2.9 SWOT Analysis

A key step in any strategic planning process involves an assessment of your business's strengths, weaknesses, opportunities and threats, commonly referred to as a SWOT analysis. Your marketing plan should also include a SWOT. Later, in developing the marketing plan, the SWOT will give you the basis for most of the activities you build into it. The idea is that you will build on strengths and opportunities and mitigate weaknesses and threats:

> ***Strengths***: These are things that you can use to feature in your advertising and other marketing activities; they are also things you can build new products around;

Weaknesses: Your plan should address how you can correct or work around weaknesses;

Opportunities: Your plan should identify and assess the potential of the various kinds of opportunities you might have available – new markets, new products, ideas for new promotions, etc.

Threats: External threats may be beyond your control, but there may be things that you can do to mitigate or work around them.

In your SWOT analysis, make sure you are truly identifying the real issues and not just their symptoms.

Strengths/Weaknesses

List and describe the strengths and weaknesses of your operation, as perceived by the customer/marketplace. These should include, for example:

- Company image
- Product quality, USPs and competitive advantages/disadvantages
- Customer service quality
- Benefits to the customer
- Marketing budgets available
- Marketing skills in-house/available to you
- Information available to you for measuring results of initiatives.

Opportunities/Threats

List and describe the market opportunities that can enhance or grow your business, and external threats that can jeopardize the business:

- Market segments and prospects you could potentially target
- New competition
- New technologies and new concepts
- Successful approaches/concepts of others
- Tourism trends
- Economic factors
- Demographic trends
- Environmental factors
- Government policies and strategies
- Community development plans.

In reviewing the results of the SWOT analysis, you will want to look for relationships between strengths and weaknesses and opportunities:

- What strengths are relevant
- What weaknesses are practical to mitigate
- Where efforts can be most cost-effectively applied

Next we will deal with preparing the marketing plan.

SECTION 3

The Marketing Plan – Putting it All Together

SECTION 3

THE MARKETING PLAN – PUTTING IT ALL TOGETHER

Assuming that the situation analysis described in the preceding section has been completed, you should be armed with all of the information you need to be able to proceed with building your marketing plan. As you proceed, there are likely to be additional pieces of information you will need to seek out.

This section presents the how-to's of putting the marketing plan together.

3.1 Elements of the Marketing Plan

The marketing plan addresses the issues of:

- Establishing goals and overall objectives
- Developing strategies for growth – prioritizing target markets and products:
    - Market segmentation
    - Product-market positioning and branding
    - Cost-benefit analysis
- Setting specific product and market objectives
- Product readiness
- Pricing
- Tactics – designing marketing programs:
    - Advertising and promotion
    - Direct sales
    - Internet marketing (Website and e-marketing)
    - Public relations and media relations
    - Packaging
    - Marketing partnerships
    - Marketing through the travel trade
- Budgeting
- Measurement and evaluation.

The final section of Part 1 will discuss performance-based marketing, which involves the use of tracking, measurement and analysis tools that can help provide the information you need to ensure maximum effectiveness in marketing in your business.

Part 2 of the guide will get into how to implement the key marketing practices in tourism, including pricing, Internet marketing, advertising, promotions, selling, packaging, and marketing with the travel trade. We will introduce you to the how-to's of each of these practices. A number of marketing tools that you will find useful will also be provided.

3.2 Establishing Goals and Overall Objectives

Goals are descriptions of what you want to accomplish with your marketing plan. They might include getting more sales, more profitable sales, increasing market share, developing new markets, increasing shoulder season business, etc. These should be defined and written down, and their relative priority should also be established.

For each of the goals, you need to establish one or more specific objectives. A good marketing plan has to start with clear, measurable objectives. To be measurable, they need to be quantified and linked to a time frame. For example, you may have an overall goal of "developing new products and new markets for the off season." The objectives could then be "to have two new products and their respective marketing programs launched within the next year."

The objectives should also be attainable. More than one objective can be established but the number of objectives should be realistic, and relate to the amount of time and resources available.

But before you can move ahead, you will need to address the question of "what products for what markets?" In other words; with what products and in which markets am I going to achieve my goals and overall objectives? Let's deal with that question next. Then you will be able to establish specific objectives for each product and each market.

3.3 Developing Strategies for Growth – Prioritizing Target Markets and Products

Successful tourism operators know that the marketplace for a business is made up of a number of definable target markets, along with one or more products that "fit" each market. To develop a good marketing plan, you first need to define the markets and products and assess which combinations of them offer the most potential in meeting the overall goals and objectives of the business. You then need to shortlist those that are to receive priority attention in the marketing plan. It is also important that you define your markets and products in terms that will be useful later in the plan.

To accomplish this, we use "market segmentation".

Market Segmentation

The first thing to do here is to define your target markets as specific, identifiable segments. But how do you divide your market into segments? This concept was introduced earlier and is expanded on here.

Undoubtedly, the most common way of segmenting a market is by geographic area – where the customer lives. There are a number of reasons for this including:

- Many commonly used advertising media cater to geographically defined markets, notably newspapers, radio and TV.

- Media catering to local and regional markets are usually more affordable, as compared to the costs of national and big market media.

- Consumers who are closer at hand generally will have a greater interest in your products, given the relatively shorter travel time and cost associated with a visit.

However, geographic segmentation is not always the best approach – at least, not if it is used on its own, as there will be still a lot of "waste" in your marketing expenditure. As a result, you should also segment your markets along other lines too.

There are seven general approaches to segmentation, as identified earlier. They are:

- Purpose of trip (why the customer travels)
- Channel of distribution (how the customer buys)
- Socio-economic/demographic (their age, income level, social status)
- Psychographic (lifestyle, personal interests)
- Means of travel (auto, air, motorcoach)
- Geographic, and
- Use-frequency and seasonality.

As you can see, geographic segmentation is only one approach to market segmentation. And, as indicated, it works most effectively when it is combined with one or more of the other six. In fact, the more segmentation approaches you use, the better the results you will obtain. That's because with each approach, you refine your target market to a higher degree.

Remember, the objective here is to divide your market into segments, those that contain a significant number of people and that are the most likely to respond to your marketing message.

For example, suppose you are marketing expensive resort vacations. You could place advertisements in newspapers or on the radio, and so reach a large audience. But most likely, only a few people within that large audience would respond to your marketing efforts. You would probably get much better results — and at a lower cost — if you managed to reach only that segment of the overall market that is likely to be interested in expensive resort vacations.

In this instance, you might want to segment your markets by:

- Income (taking the top 5% of family incomes);
- Geographic area (within, say, two hours' driving time of your resort);
- Lifestyle (aiming at people who have an active, travel-oriented lifestyle and who are willing to spend money);
- Frequency of use (people who frequently vacation at resorts);
- Age (perhaps people over 50 who more likely have the time and money);
- Interest (people who enjoy the recreational activities that your resort offers).

By defining your target markets in as precise a manner as possible, you will be better able to identify the kinds of marketing strategies likely to be successful, and select the kinds of media that are likely to be most effective.

The same principles apply in using the Internet for promoting your offer. Your efforts to attract people to your website, and your web pages should speak to the audiences that are most likely to be receptive to your offer; again, they speak to definable target market segments.

The Nova Scotia Tourism Partnership Council and the Tourism Division of the Department of Tourism, Culture and Heritage identify priority target markets for the province generally, as part of the development of the annual tourism plan. Exhibit 3 describes the target market segments identified for 2006.

Appendix II provides some details on Nova Scotia's visitor markets, segmented by geographic origin, and by mode of travel.

Exhibit 4 lists the seven main market segmentation approaches and, for each one, it gives the factors on which the segmentation should be based and a few comments on the approach.

Ranking Your Market Segments

So far, we have assumed that all the market segments you identify are of equal importance but, of course, this almost certainly will not be the case. Some segments are bound to be more important than others, so what you need to do now is to put them into their order of priority.

To be important, a market segment must, of course, be able to offer you the potential of a satisfactory return on your investment and effort. But in addition, it must be:

- *Measurable*: You should be able to measure the size of your targeted market segment, so that a reasonable estimate of potential business can be made.
- *Accessible*: You must be able to reach the target market segment through promotion and/or through the travel trade. Also, customers in market segments must be able to reach you, and to make reservations.
- *Substantial*: Your targeted market segment must be large enough to justify the expense of marketing to it.
- *Defensible*: You should be able to demonstrate that the characteristics of the market segment are sufficiently unusual to justify a special marketing program.
- *Durable*: There must be some expectation that the market segment will remain viable over a reasonable period of time; it should not be based on a fad.
- *Competitive*: You should be able to demonstrate a definite advantage over your competitors in serving the needs and wants of the targeted market segment.

Your next step is to assess each of your market segments against these criteria, and to arrange them in order of their relative importance.

Exhibit 3
Overview of Target Markets for Nova Scotia for 2006

Atlantic Canada

Why: 55% of non-resident visitation (NB, PEI, NFLD), high awareness/repeat visitation,

Target: family/couples age 35+, post-secondary education, Household income $25,000+, by car

Products: urban, outdoors, experiential touring, golf, cuisine, history, culture & music

Ontario

Why: 18% of non-resident visitation, solid awareness, repeat visitation

Target: families & couples age 45-64, post-grad education, household income $60, 000+, by car, ferry, air

Products: historical sites, outdoors & seacoast, culture, cuisine & music, experiential touring

United States

Why: 14% of non-resident visitation

Target: couples, 45-64, post grads, Boston/Maine, household income $60,000+, by car, ferry, air

Products: culture, cuisine & music, outdoors incl. seacoast, living history, experiential touring

Quebec

Why: 5% of overall visitation

Target: French-speaking couples, age 45 – 64, Montreal, household income $60,000+, by car

Products: The Acadian experience, Louisbourg & other historic sites, outdoors and seacoast, experiential touring, cuisine, culture & music

Europe

Why: Big spenders, improving air access and capacity

Target: Couples, post-secondary education, Household income $80,000+, UK/Germany, air

Products: Outdoor and scenery, unique culture, music & cuisine, living history

Western Canada

Why: To test the potential of this market – Canada's fastest growing economy; new air links make NS more accessible

Product: Outdoors & seacoast, historic sites, culture, cuisine & music, experiential touring

Source: Extracted from Nova Scotia Tourism Partnership Council, 2006 Tourism Plan

Exhibit 4
Tourism Market Segmentation Approaches

MARKET SEGMENTS	COMMENTS
1. Purpose of Trip Pleasure Travel Touring Single destination vacation Personal Business/Visiting Friends and Relatives Business Commercial/Salespersons Government Local Companies Conventions/Meetings Corporate Association Government Social Functions Tournaments/Sports Groups	*This is usually an effective segmentation approach, because the purpose of travel often dictates the kinds of experiences, products and services target market that are being sought.*
2. Channel of Distribution Segmentation Travel Agents Tour Operators Tour Wholesalers Airlines Government Tourism Marketing Organizations Regional and Local Tourism Associations Internet	*Marketing with and through what is known as the "travel trade" is an approach for more distant markets that cannot be reached directly at reasonable cost, or where travel trade companies already have a market that is seeking your kind of product.*
3. Socio-economic/ Demographic Segmentation Age Education Income Family vs Adults only Family Life Cycle Occupation	*This is a commonly used segmentation approach, since these segments can often be targeted through specialty media and the Internet.*

Exhibit 4 cont'd
Tourism Market Segmentation Approaches

MARKET SEGMENTS	COMMENTS
4. Psychographic Segmentation Lifestyle Personal Interests Personal Values	*In tourism, this can be an effective segmentation approach, since tourism product use is extensive among certain psycho-graphically defined groups. Also, many advertising media are segmented in this way.*
5. Geographic Segmentation State, Province and Country Region Urban, Rural City Size City Area of Dominant Influence (ADR)	*This is the most common segmentation approach because these markets are readily defined and accessible. It is often not an efficient approach, however, unless it is used in combination with other approaches.*
6. Use Frequency/Seasonality Segmentation Heavy/Moderate/Infrequent Users Seasonal Users	*Data should be readily available on these customers, so this method is likely to be cost-effective.*
7. Mode of Travel Air, Car, Motorcoach, RV, etc.	*This can be important in determining which media to use.*

Product-Market Positioning and Branding

Having defined your target market segments and their matching products, you now want to look at how you might be successful in each case, and how effective your efforts are likely to be. The first step in this requires some thought about how you should 'position' your products in each market.

A positioning strategy is accomplished by defining, for each product in each market, a combination of:

- The unique selling propositions (USPs) to be featured
- The competitive advantages that differentiate your product from competing products servicing the same market
- Bringing these together into the resulting message you want to convey in each market – that of the compelling benefits of your product to the customer
- Establishing your brand – which communicates the foregoing in an attention-getting, recognizable fashion

An example of a positioning strategy would be a business offering high quality bicycling tours in Nova Scotia. The operator's marketing might feature its hi-tech bikes (USP), its unique, out of the way scenic seaside routes (USP), the long-standing reputation of the company as a quality operation (competitive advantage), its Nova Scotian guides who are all trained in the natural and cultural history of Nova Scotia (both a USP and competitive advantage). This comes together to provide "a genuine, high quality seaside cycling adventure – guided and hosted by Nova Scotians".

Effectiveness Analysis and Product-Market Ranking

With this in hand, we now need to determine *which of the well-positioned products in which market segments are going to be most effective in helping us achieve our goals and overall objectives*. There are various methods of doing this, but we offer a fairly practical approach in Exhibit 5. This evaluation matrix is simple, but it captures the key points. The example is for an inn on the South Shore. The box on the next page describes the process.

Markets for the Victorian Heritage Inn

The inn is a beautiful Victorian building located in an historic community on the Lighthouse Route, about two hours drive from Halifax on Hwy 3 or just over one hour on Hwy 103. It is a four star Canada Select property, with a room rate in the top 25% of prevailing room rates in the area (this is a fictitious property).

The matrix identifies three general markets available to this inn – tourists to Nova Scotia touring the South Shore, Nova Scotians interested in short getaway trips, and organizations seeking space for small meetings. Each of them has several sub-markets, each with somewhat differing characteristics. The factors that the inn's management has decided are important are presented on the left.

The management has gone through the matrix and awarded "scores" for each issue for each market segment, ranging from a low of 0 to a high score of 3. These have been determined following a brief discussion of how well they see their inn performing in each market segment. Some of their judgements were based on good information, while others were "informed opinions", based solely on their experience.

In this instance, management has decided to calculate an average score for each market segment and round the average to the nearest whole number. They have also decided to treat each issue as being of equal importance. They could alternatively have weighted the issues and used a weighting factor to adjust the scores.

The end result is that management has identified that the best potential is likely to be in short-term getaway packages; and most particularly their hiking package, targeting both tourists and Nova Scotia residents. Secondary priority markets were determined to be other tourists seeking an inn for a multi-day stay and other tourists seeking a unique dining experience while en route to another overnight destination.

Exhibit 5
Product/Market Evaluation Matrix

	Tourists Touring the South Shore				Nova Scotians on Getaways			Regional Meetings	
	Overnight accommodation	Multi-day stays	Seacoast hiking package	Dinner	Weekend family packages	Learning packages- fine foods and wines	Seacoast hiking package	Local businesses	Halifax companies
Market Positioning									
USPs	2	2	3	2	2	3	3	3	2
Competitive advantages	1	3	2	3	2	3	2	2	1
Goals and Objectives									
1. Grow off-season business	1	1	2	1	2	3	3	2	2
2. Increase summer yield	1	2	2	1	1	0	2	0	0
3. Increase summer occupancy	2	2	3	2	0	0	2	0	0
4. Build on area attractions	0	2	3	0	2	1	3	1	2
Feasibility Issues									
Low investment required to develop product	3	2	2	3	2	1	2	2	2
Low investment to develop market	2	1	1	2	2	2	2	3	2
Sales potential	2	2	2	2	2	3	3	1	2
Yield and profit potential	2	3	3	1	2	3	3	1	2
Low Risk	2	1	2	3	2	1	2	1	2
Overall Rating	1	2	3	2	2	2	3	1	1

High rating –3 **Medium rating –2** **Low rating – 1** **No rating – 0**

A matrix like this allows us to consider a number of different markets and products at the same time, and rate them in terms of the key issues we have been discussing. The matrix also provides for considering issues with respect to the feasibility of different product-market scenarios. You may choose to do some research into these issues before completing the matrix. The research methods we discussed in Section 2 will be helpful in this regard.

Your challenge now is to use the matrix, or another similar method, to select the best mix of markets and products for your business.

3.4 Setting Product/Market Objectives

With your shortlist of markets and products selected, you can now set specific, market by market, product by product objectives in terms of sales, revenues and other definable objectives. In summary, objectives should include:

- Specific quantities (i.e. dollar or volume of sales)
- A specific time frame to achieve the objective
- Specific products or markets to be targeted

For example: achieving an increase of 10% in motorcoach business from U.S. tour operators in the next fall season, or having two new off-season special interest packages available for next winter that will generate $5,000 in new sales.

Possible objectives could include:

- *Revenue Targets*: Annual, seasonal or by product. These should be set in both dollars and units.

- *Profitability:* Depending on available capacity, an operator that is experiencing capacity constraints may choose to focus on more profitable sales rather than overall sales growth: i.e. increases in higher yield transactions. This would be particularly appropriate for high season periods.

- *Market Share/New Market Growth*: Redirecting business from competitors to your business, as well as generating new business from customers that would otherwise not have come to the region.

- *Customer Service Rating:* While this does not have a financial focus, it does provide a means to an end. Satisfied customers often mean strong word of mouth and repeat business. Therefore, high customer quality ratings can provide solid long-term business growth.

- *New Product/Business Launch:* Business growth could come in the form of additional product offerings. An objective might be to develop a successful new business offering to direct at either existing or new customers.

- *Occupancy/Utilization Targets*: This helps focus on more specific market opportunities, i.e., by season, or type of product offering rather than general sales increases in your business overall.

3.5 Product Readiness

Before going further, it will be very helpful if you focus some attention on "tuning up" your short-listed product offerings to make them as compelling and as good value as you can, and to ensure that they will provide a quality experience for the customers being targeted. Again, you need to look at it in terms of satisfying customer demands for personal benefits.

There are essentially four things you should consider:

1. Means of *enhancing the product* or service itself, in ways that will most benefit the targeted customer – that will enhance the visitor experience.

2. Opportunities to offer *supplemental programming* – activities, entertainment, value-added features – to enhance the experience, but also to generate higher levels of spending from the market segment being targeted.

3. Opportunities for *suggested itineraries* and for *packaging* with others at the destination to provide a broader mix of products and appeals for the targeted market (we deal with this in Section 11).

4. Means of enhancing the *pre- and post-visit features* of the customer's experience – generally the information, reservations, transportation and other ancillary aspects of the experience, including ways of enhancing post-visit remembrances and referrals.

When you think about your product from your customer's point of view, you realize that much of it consists of elements that are beyond the facilities and services you provide – for example, the natural beauty of the surrounding area, climate, unique culture, interesting history, and so on. All of these affect the visitor's experience and need to be addressed in the way the product is being offered. The 'experience' is the thing in today's marketplace!

As we discussed in Section 2, often the demand-generators for the purchase are things other than your own offering, since they are the things that give rise to the initial demand for a visitor to take the trip. The other product elements – the rooms, meals, transportation and so on – are merely support elements. Who travels just to sleep in a strange bed? Your customers tend to view the support elements as simply a means to an end, rather than as an end in itself. They may even be seen as negatives – such as a long drive, for example.

It is important to make sure that the product you are selling is really the one your customers are buying. You may be offering support elements, but almost certainly the product your customers are buying will consist, to a large extent, of demand-generators.

Here are some common demand generators:

- Natural attractions
- Climate
- Culture
- History
- Special events
- Entertainment/recreation
- Business visits to industrial firms, businesses and government offices

- Convention facilities
- Commercial and public attractions
- Romance
- Escape
- Remoteness/quiet
- Adventure
- Learning and personal enrichment.

Because the tourism industry is primarily a service industry, it is important to look at not only the physical side of the product mix but also at the service side. This includes the personal service provided by staff. This can often be the aspect of the product that impresses the customer most. It is often described as Quality Service. But it can also be something that weakens the customer service if it isn't done well. Make quality customer service part of your product review.

3.6 Influencing Demand – Programming, Suggested Itineraries and Packaging

An effective way of increasing the appeal of your basic offering is to link it to other compelling experiences. Programming, suggested itineraries and packaging are all effective methods.

Programming

Adding programming to your product can be a very effective way of enhancing the customer's experience and also customizing the product offering for specific market segment. Offering gourmet cooking classes on Sunday afternoon as part of a Sunday brunch package would be an example of this. You suddenly have a way of enhancing the visitor's experience, and you have created a new product that will appeal to new markets. Outstanding experiences are what are motivating the modern leisure traveller.

For this reason, programming can be a very effective and important marketing tool. It can create products and experiences that customers can relate to and that can appeal to them.

As another example, suppose you operate a community museum. Travellers may not be particularly interested in a community museum if it is presented simply in terms of the community history its exhibits display. However, if you presented the museum as a place in which visitors can trace their family tree using an extensive computer database and accessing world-wide resources to do so, then they might be very interested indeed.

That's how programming works. It gives additional appeal to what might otherwise be a standard tourism product, and it creates new "products" for new markets.

In summary, quality programming can enhance and enrich the customer's experience, thereby adding value, with some or all of the following outcomes:

- Generate new business
- Encourage repeat business
- Build loyalty
- Increase customer lengths of stay
- Increase customer spending

- Increase demand during off-peak periods
- Support higher prices in busy periods
- Increase customer satisfaction, and
- Create new products that will appeal to new target market segments

What's more, programming can do all this without the need for large capital expenditures. The return on investment from effective programming can therefore be substantially higher than it might be from, say, an expansion of facilities.

There are literally hundreds of programming opportunities that you can draw on to help you market your product more effectively. But when choosing the best one(s), you must start – as with any other marketing activity – with the customer you are targeting.

The first step, therefore, is to focus attention on the market segments that you are going to pursue. These could be segments that you have not tried to reach before; or they could be segments that you are not yet penetrating to the extent that you would like.

You should pinpoint the needs and wants of each of the market segments you have selected, and then develop a program that specifically fills one (or more) of those needs and wants.

To help you develop a program, we have drawn up a list of programming ideas (see Exhibit 6). It identifies the main programming possibilities for different types of tourism businesses.

In addition, you should consider piggybacking on some of the demand generators of your area. This is a "free" way of building a program, since it involves no capital investment or additional operating expenses.

As an example, a Laurentians resort ran a series of advertisements promoting its "seven superb ski hills"– yet it does not itself have any skiing on its property. At first sight, it might seem that the absence of an on-site ski area would be a major problem for a resort operating in the winter. But the Laurentians resort turned this "problem" to its advantage by advertising the full range of ski slopes that are in its area – in effect, piggybacking its product on the appeal of these facilities.

However, the resort then went one step further and this is where programming came into the picture. The resort provided its own skiing instructors, and each day it arranged to transport its customers to the ski slope that had the best snow conditions. In addition, it offered ski weekends that included "free" lift tickets and lessons.

This is not only a good example of programming, but is also a good example of programming built around some regional demand-generators. In other words, the resort combined its clever programming with some appropriate packaging – thereby boosting its business by having two marketing activities working together.

Suggested Itineraries

You can also piggyback your offering with other things to do and see in the area, which is a simple and no-cost way of achieving a similar outcome to programming. By offering suggestions and linking them into suggested itineraries – day trips, excursions, tours, etc. available in the area – you can actually build business on the back of the demand generators and demand influencers in your region.

Packaging

A package is an itinerary in which you have actually arranged the experience on behalf of the customer, allowing them to purchase the whole experience from you directly. This topic will be addressed in Section 11.

3.7 Internal Marketing

Internal marketing relates to the things you and your staff do while your customer is at your place of business. It involves 'fulfilling the promise'. Achieving this requires establishing a service culture among your employees, through policies, procedures and reward systems. It is also built upon the attitude and actions of the owners and managers.

Employees need to be empowered to solve problems on the spot and to recommend improvements to procedures to overcome such problems in the future. But to make that work, people with the right kind of attitude need to be hired, trained and motivated, then authorized to use their initiative. They need to see themselves as an important part of the customer service team.

3.8 Customer Relationship Management

Following from the modern direct marketing methods and internal customer databases available today is the concept of customer relationship management, or CRM, which has become a key strategic focus of many businesses today, including tourism businesses. The whole idea is to build loyalty among the best clients; the 20% that provide 80% of the net return to the business.

The idea here is that, once you have a good prospective customer through your marketing efforts, or a prospective repeat customer, along with some information on the purchase preferences of that prospect, you have an opportunity to actually build a relationship with that individual, such that they buy from you again; ideally, again and again. They become a loyal customer. Company 'loyalty' programs have further built upon this concept; AIR MILES and Aeroplan are examples.

In marketing, it's cheaper to keep a customer than to get a new one.

The key techniques include:

- Gathering information about customers
- VIP customer service
- Customer incentives to repurchase
- Special and exclusive service options
- Points programs
- Pricing to encourage repeat business

Vital to a CRM program is a database of individual customers, permitting customized, one-on-one offers and communications. This requires that you get their permission to send them material on your business, as per the privacy regulations mentioned earlier and described in Appendix IV.

Exhibit 6
Programming Possibilities for Hospitality and Other Tourism Businesses

TYPE OF BUSINESS	PROGRAMMING POSSIBILITIES
Urban Hotel, Motel or Motor Inn	• health/fitness club memberships • swimming club memberships • how-to classes in off-peak periods • sporting event nights • gourmet food festivals
Resort	• children's activity programs • golf, tennis and skiing programs • club memberships for various recreational facilities • computer camps • management seminars • murder mystery weekends • learning weekends
Transportation Company	• trips to sporting and special entertainment events • mystery destination trips • themed trips (e.g. themed cruises) • in-flight movies
Attraction	• special celebrations on major holidays • celebrity appearances • themed days or weeks • learning workshops • children's/family programs in the fall and winter • artisan demonstrations
Restaurant	• dinner theatre • themed meals • wine-tasting and gourmet festivals • gourmet dinner clubs • 'all you can eat' dinners • daily specials • 'two for the price of one' specials
Car Rental company	• maps or guides showing the route to local attractions, services, and facilities • list of current events • coupons for discounts on complementary products or services
Sightseeing Tour Operator	• jazz cruise • cruise with a naturalist on-board to interpret wildlife

3.9 More on Market Positioning and Branding

The issue of market positioning is a key one, so it is useful to consider this topic a little further.

The idea of positioning is to align your offer with the customer's propensity to buy, and then to implant an image of your product in your customer's mind and consistently hold that image there.

The brand you establish will help keep that image in place. The essence of a brand is a vision in the consumer's mind about what it is you are offering. It can be affected by marketing but it ultimately is determined by the customer's experience with the product and what they say about it. The challenge is to fulfill the customer's expectations created by the brand communications.

The process of branding is communicating the positioning in a brief, high impact name, logo and/or statement that, in time, becomes associated with the product itself in the consumer's mind, and sets it apart from others in the marketplace.

Positioning and your brand should form the basis for all your communications – your advertising, website, promotions, packaging, publicity and product delivery. It is the personality of your product.

Consistency in your positioning throughout all your communication tools has a cumulative effect. Each one builds on the other and reinforces your positioning, thus providing a higher return on your marketing investment over the long term.

Common features that companies base their positioning on include:

- Value (luxury, a lot for your money, the lowest price around)
- Experience offering (golf, adventure, relaxation)
- Emotional benefits (nature lover's retreat)
- Functional benefits (the fastest way..., the full range of meeting facilities)
- User group (for couples only, all family .....)
- By association (home of ..., Nova Scotia's Scottish .....)

If you are a small resort that is positioned as a seaside escape for today's hectic, wealthy baby boomers, your message, through words and pictures, has to portray that image. And your product offering has to deliver on that promise, making sure the amenities are of the quality that this affluent market is looking for, with the quiet and serenity your advertising promises.

If you are not clear on exactly how to position your product, listen to your current customers (in your major target markets) and how they view your product, what they see as being different from the competition and what you have come to represent for them.

Your positioning should be something that stands the test of time – a long term approach is needed.

3.10 Pricing

Obviously, a key feature of your product offering is its price. In addition to being a major factor in determining whether a given sale makes money for you, price is also an important positioning feature.

This is a very important topic in the marketing mix. We will deal with it as one of a set of key how-to topics in the next part of this guide, in Section 5. We will also introduce some of the modern techniques of "revenue management" – the science of using price as a demand generator – just like the airlines do with their seat sales and special fares of various kinds.

3.11 Key Marketing Techniques

With the strategic parts of your marketing plan largely in hand, you are now ready to put together the tactical part – the actual marketing programs that will achieve your goals and objectives. Like pricing, these are all major topics in their own right. They are dealt with, in turn, in sections of their own, as follows:

- Internet marketing including websites and e-marketing (Section 6)
- Advertising and promotion (Section 7)
- Brochures and collateral materials (Section 8)
- Direct sales (Section 9)
- Other marketing methods (Section 10)
- Packaging (Section 11)
- Marketing through the travel trade (Section 12)

3.12 Closing the Sale

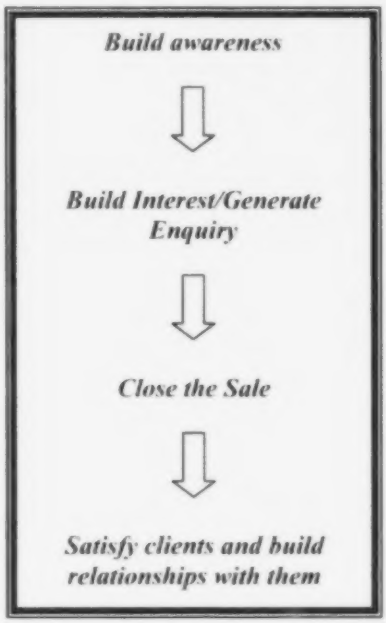
The process of marketing involves a series of stages leading to 'closing the sale', but it also involves post-sale features as well. Different kinds of marketing tactics are involved in each stage.

In the first instance, you have to capture the attention of the target audience and make them aware of your offering.

Secondly, you want to build their interest in the offering and bring them to the point of willingness to purchase.

Thirdly, you want to close the sale. This involves having a 'call to action' in your marketing communications, something that will prompt them to buy or book and make it easy for them to do so.

And finally, you want to ensure the customer's expectations are fulfilled, and ideally, exceeded. Achieving this opens the door to establishing an ongoing relationship with them, leading to repeat business and positive recommendations to others.



These topics are addressed in the sections to follow.

3.13 Marketing Partnerships

Tourism marketing first involves selling the destination, and this is all about partnerships, not competition.

The Partnership Model

Sell Canada – a partnership
Sell Nova Scotia – a partnership
Sell your region of Nova Scotia – a partnership
Sell your community/area – a partnership

Sell your business at time of booking,
or when the visitor is at the destination – a competition

In the tourism industry many companies find it worthwhile to link their marketing efforts to those of others. The idea is to piggyback on the marketing program and resources of others that are targeting the same markets as you and that are willing to work with you, thereby extending your marketing reach and effectiveness. Examples include:

- Nova Scotia Tourism Partnership Council partnership marketing programs
- Your regional or city destination marketing organization, such as Destination Halifax or Destination South West Nova Scotia
- The travel trade - tour operators and receptive operators
- Destination management companies (for meetings business)
- Packaging partnerships with suppliers of complementary products and services
- Other 'homemade' alliances of like-minded operators willing to work together

Developing and maintaining such relationships and networks can be very valuable for your business. Also, everyone at the destination is part of the 'destination sell' and needs to work together to that end.

Based on the way consumers make decisions about their vacation plans and the way they actually make the purchase, partnerships in the industry are critical for effective marketing. Some of your most effective marketing programs can be based on developing strong marketing partnerships with other non-competing, complementary product operators, particularly those that are demand generators for your destination. Having a partnership strategy and plan is an important part of your marketing plan.

Who are you partnering with now? Try the following:

- Make a list of all the formal and informal partnerships you have – tourist associations, visitor information centres, other operators, community groups, government agencies, etc.

- List the existing and potential ways of leveraging or maximizing each relationship so that your "partners" can help drive more business your way (such as shared advertising, cross promotion, packaging together, sharing brochure distribution, joint selling, shared product knowledge with staff dealing directly with customers).

A variety of partnership marketing programs are made available to the industry through various destination marketing organizations such as the Regional Tourism Industry Associations (RTIAs), Nova Scotia Tourism Partnership Council and the Canadian Tourism Commission (CTC). These cooperative or partnership marketing programs are usually offered on an annual basis. Contact information for potential partner destination marketing organizations is provided in the Appendices.

Examples of cooperative marketing programs include:

- Several tourism businesses from Cheticamp cooperating on a double page spread in the Doers' and Dreamers' Guide;
- Tourism businesses and the Department of Tourism, Culture and Heritage partnering on full-page, two-colour advertisements featuring March Break Getaways, in the leading Maritime newspapers;
- Destination South West Nova Scotia taking a booth at Atlantic Canada Showcase and displaying information on all of the businesses in the area.

While many of these programs are very attractive from the standpoint of shared marketing dollars, it is important to ask yourself such questions as "If the shared funding wasn't available, would I still want to participate in them?" or "Does the program help me effectively reach my target market?" and "Can we measure the results effectively?" If the answers are positive, the program could be a good investment and a worthwhile addition to your marketing program.

A brief discussion of some of the key marketing partners available to the tourism sector follows.

Regional Tourism Industry Associations/Destination Marketing Organizatins

- Most of the RTIAs in the province have marketing initiatives involving industry partnerships. Contact your local RTIA to get a current list of partnership marketing opportunities. Contact information is provided in Appendix I.

Business/Sector Associations

- A number of the sector associations within Nova Scotia's tourism industry are involved in cooperative marketing efforts. For example, the Nova Scotia Adventure Tourism Association has developed a co-op brochure outlining the products of its members.

Local Tourism Committees

- Some regions of the province have local or municipal tourism committees that are involved in co-op tourism marketing programs, for example the Seaside Tourism Committee in the Eastern Shore and the Destination St. Margarets Bay Regional Tourism Development Association. As well, some municipalities have tourism committees or departments that undertake a variety of marketing initiatives in partnership with local tourism businesses.

Nova Scotia Tourism Partnership Council (TPC)/Department of Tourism, Culture and Heritage

- Marketing programs have focussed on Atlantic Canada, Ontario, Quebec and selected U.S. regions.
- Programs are extensive with a wide variety of price points as well as market segments.
- Co-op marketing programs are published in an annual partnership opportunities book that can be obtained from the TPC website at www.nstpc.com.

Atlantic Canada Tourism Partnership

- Co-op marketing programs have traditionally focussed on U.S. and European markets.
- Programs have varied over the years depending on the strategy and provincial agreements between the four Atlantic provinces.

Canadian Tourism Commission

- The CTC has traditionally focussed on leisure markets in the U.S., Europe, Asia as well as the meetings and incentive markets in the U.S. In 2005 they introduced a new brand for Canada, 'Keep Exploring' and are increasing their focus on Internet marketing.

Whatever partnered marketing programs you choose, they need to be rationalized and planned as part of your overall marketing plan.

3.14 Budgeting

You will need an overall budget if you are going to be able to keep things on track. Each of your marketing programs also needs a budget. This is important in helping you ensure that your marketing expenditures are appropriate in terms of your market priorities and that they are affordable given your total available budget. Budgets are also important tools in helping you control and track the various marketing programs, and in measuring your return on investment for each marketing activity.

Marketing budgets for tourism businesses vary depending on the level of the need for more business and the nature of the business. A norm that is often used is a marketing budget of 5% of revenues. But businesses that need to promote to the customer before they travel or arrive at the destination, such as resorts, typically spend more than businesses that only need promote to visitors already in the community or region. Businesses that are highly marketing sensitive, such as attractions, also need to spend more. Also, businesses usually spend a higher percentage of their revenues on marketing in the first few years of their operation, when they are trying to get established and create a market position (also, their revenues are usually lower at this time, therefore the percentage spent on marketing is higher, even if the dollar amount is the same as it would be later on).

3.15 Measurement/Evaluation

Tracking measures should be put in place for all of your major marketing programs. Taken together, they will give you an effective means of comparing the results of your marketing activities against the objectives you set for them, and against one another. This will be valuable information in helping you improve marketing programs in future years. Section 4, Performance-Based Marketing, explores this topic.

3.16 Adjusting the Marketing Plan

A good plan isn't one that is unchanging; it will need to be adjusted and refined throughout the course of the year as new information and new opportunities arise, as competitive pressures necessitate a response, as program results indicate whether things are working as expected, and so on. Review the plan monthly and keep it relevant to what is really a "moving target" – the marketplace. This topic is also explored in more detail in Section 4.

SECTION 4

Performance-Based Marketing

SECTION 4

Performance-Based Marketing

4.1 What is Performance-Based Marketing?

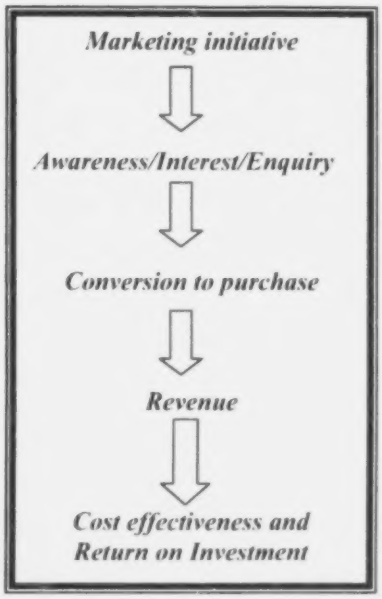
Simply put, performance-based marketing is a series of actions that you, as a business owner, take to ensure that you are getting the best 'bang for your buck' out of the money you are spending on marketing – that you are reaching your target markets and that the money you are spending on doing so is effectively generating revenue for your business.

Performance-based marketing is intended to do the following for your business:

- Track enquiries resulting from your different marketing initiatives.
- Track conversion of enquiries into sales, as well as sales instigated directly by the promotion.
- Measure revenues generated by these sales.

These measures, in turn, help you identify the cost-effectiveness of different marketing initiatives. And this, in turn, allows you to determine your return on investment on each initiative and from your marketing program overall.

The process is illustrated in the box.



Performance-based marketing cannot be done by intuition – it requires measuring the performance of your business and the results of your marketing. In fact, measuring is a fundamental component of successful business management – "if you don't measure, you can't manage"[1]. So whether your measure is attendance at your attraction, sales per day, number of occupied room nights or hits to your website, you should embrace a philosophy of measuring results in your business.

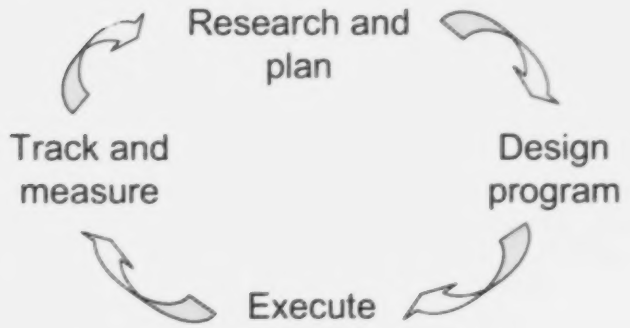
While the ideal approach is to measure the results from each of your marketing tactics and determine the return on investment of each one, this is not always possible. But you should do what is practical and feasible with your different marketing activities, as rough measures, or partial measures are better than none at all.

[1] Industry Canada/FedNor, A Guide to Using Market Research and Marketing Measurement for Successful Tourism Destination Marketing, page 3, 2005

A second fundamental tenet of performance-based marketing is that you have to build in the tracking and measuring procedures up-front as part of your overall marketing strategy and business plan. It is too late to decide three-quarters of the way through the season that you should be tracking the results of your advertisement in the Doers' and Dreamers' Guide or your new website.

The graphic below illustrates the process of performance-based marketing. It is a circular process, involving developing a marketing plan, designing initiatives and their performance measures, program execution, and applying the tracking and measuring tools. The latter provides input into the next round of marketing planning, allowing you to adjust your marketing strategy and tactics to be more cost-effective.

Performance-based Marketing Model



With the Internet playing such a large and growing role in tourism marketing today, and with the various tracking measures of web activity available, the task of measuring program performance has eased somewhat, at least for Internet-based marketing. At the same time it also presents new challenges in tracking. Section 6 on Internet marketing addresses this, under 'Understanding Your Website Visitors'.

But with traditional marketing methods, more traditional methods must be used. Performance-based marketing requires an investment of your time, and that of your staff, to compile the information needed; but it will generate returns for your business and it is vital to you becoming more effective in your marketing efforts.

The balance of this section provides some specifics on how you implement performance-based marketing in your business, along with some tools to help you in doing so.

4.2 How to do Performance-Based Marketing at Your Business

The steps involved in establishing tracking and measurement processes for individual marketing initiatives/programs are as follows:

1. Establish goals & objectives for the marketing program.
2. Before you implement your marketing program, decide what you need to measure, and how you are going to do it.
3. Set up the necessary tracking tools, train your staff on how to implement them and make sure they follow through on implementation.
4. Analyze the findings from your tracking, and the results of your measurements.
5. Monitor regularly and compare results against goals, other marketing programs and past years' performance.
6. Adjust and refine marketing programs for next business season.

Exhibit 7 presents a summary of methods and tools that can be used to track and measure marketing performance, in terms of the three goals of improving business efficiency, marketing efficiency and developing customer/market insights.

#1: Establish Goals and Objectives for the Marketing Program

This should include three types of goals and objectives:

1. Business efficiency goals – the sales volume and net contribution/return on investment achieved.
2. Marketing efficiency goals – the cost-effectiveness of your various marketing tactics.
3. Market insight goals – the information you want to garner through the response to your marketing activities about the customers and markets you are serving.

#2: Decide What to Measure

Here are the basic types of business volume and revenue data different types of tourism businesses in Nova Scotia should measure. The information should be collected, summarized and analyzed in the fashion suggested in Exhibit 7, preferably linked in each case via the tracking tools to the marketing initiative that influenced the transactions:

Accommodation Businesses – Including B&Bs

- Number of room nights booked (occupied room nights)
- Average length of stay of guests
- Room revenues
- Numbers of packages sold

Attractions

- Numbers of tickets sold
- Numbers of coupons redeemed
- On-site revenues from food and beverage, retail elements

Restaurants

- Numbers of covers
- Average check value

Campground

- Numbers of site nights booked
- Average lengths of stay of guests
- Site rental revenues
- Other on-site revenues, e.g. canteen sales

Exhibit 7
Performance Measurement Methods and Tools

Goals and Objectives	Tools/Steps		
	Measure Audience Size and Inquiries	Measure Conversions and Sales	Measure Cost-Effectiveness & ROI (see Exhibit 9)
Goal 1: Improve Business Efficiency			
		Sales reports - number of customers, revenues, revenue per customer, occupancy/ utilization rates.	Sales/net contribution, versus costs of the marketing program.
Goal 2: Improve Marketing Efficiency			
Measure audience reached by each initiative and medium	Cost per thousand (readership). Web tracking software tool.		
Track inquiries per initiative	Use a tick sheet (see Exhibit 8). Use identifiers in marketing, such as different product names, department numbers, phone numbers, 'ask for…names', etc.	Ask questions when people inquire – where they heard about your offer.	Cost of the marketing initiative per inquiry generated.
Track conversions to sales per initiative		Ask people who book/buy if they had inquired earlier.	Percentage of inquiries that converted to sales.
Track sales generated per initiative and overall		Ask all people that book/buy where they heard about your offer. Coupon redemptions. Reply cards.	Cost of the marketing initiative as a percentage of total sales generated, and $ cost per sale.
Track web-based sales generated – number and value	Web tracking software tool.	Online sales record.	Sales versus website admin costs.
Track other E-marketing sales generated – number and value	Database software.	Database software.	Sales versus E-marketing costs.

Exhibit 7
Performance Measurement Methods and Tools

Goals and Objectives	Tools/Steps		
	Measure Audience Size and Inquiries	**Measure Conversions and Sales**	**Measure Cost-Effectiveness & ROI (see Exhibit 9)**
Goal 3: Improve Customer/Market Insights			
Build customer profiles	Use customer and market research to identify available markets and their characteristics - who buys what products, by market segment.	Booking information. Postal codes/area codes. Customer license plate tracing. Web software. Database of guests. Sales reports.	Survey customers or observe/track various identifiers to understand where your market is coming from and who they are. This will help target future efforts. Marketing programs have to reach your target market.

Adventure Tourism Operator

- Numbers of tickets/packages sold

With today's computer technologies, it is relatively simple to set up your own spreadsheets to be used to compile this business volume and revenue data; alternatively, you can purchase software to use for this purpose.

#3: Set Up the Tracking Tools You Need to Assess the Impact of Your Marketing Activities

The key information you need to track is how your customers (and those enquiring about your business) found out about you.

For your website, this is relatively easy to accomplish by using a website analytics package as discussed in Section 6. These packages can track a wealth of information about the visitors to your website and how they navigate around your site. The box provides an illustration of how one of Nova Scotia's accommodation operators uses web analytics to help make decisions about his Internet marketing efforts.

To track inquiries that are generated by other marketing initiatives, use a simple 'tick' sheet, such as that illustrated in Exhibit 8. List your key marketing mediums (e.g. web site, Travel Guide, brochure, referrals) in the left hand column.

Have your staff ask each enquirer (or a sample of them depending on the level of enquiries), how they heard about the business, and record the information in the correct row as illustrated. For larger businesses or special marketing activities, your call to action can be directed to a specific website landing page, a different toll free number or a different staff member, making it easier to track how many responses are generated.

Stonehame Lodge & Chalets
Using Web Analytics to Track the Impact of Marketing

Stonehame has invested significantly in their website over the past couple of years, including purchasing an analytics (statistics) package that 'drills down' to provide details on visitors to their site.

Manager Jeff Gunn reports that he lists Stonehame Lodge & Chalets on various accommodation listing websites, often for a fee. His website stats package tells him how many referrals to his own website are coming from each of these other sites.

This information helps him determine if he is getting value for the money he is spending on these listings, and provides a basis for his decision about which to continue using.

Or, you can talk to your customers when they arrive at your property, as they do at Cape Breton's Fabulous Foursome golf courses (see the box on the next page).

Fab Four Tee Off Survey

- The survey is administered by the starter; the target for responses is a minimum of 4 completed per day but they usually try for 20 – 30 to give a sufficient sample size on which to base conclusions.

- Questions asked include:
    - Gender
    - Age range
    - Origin
    - Length of stay in Cape Breton & NS
    - How did you hear about our course (with some options provided to select from)
    - How did you book your golf for this trip?
    - Have you planned to golf elsewhere? If yes, where?
    - Have you heard of the Fabulous Foursome

- The results are tabulated weekly and incorporated in the year end report – the findings are a key measure of how well the marketing tactics have worked, and are used as a basis to adjust these tactics.

- As well, tracking the results over time is providing insight into how the Fab Four are impacting the length of stay in Cape Breton and the percentage of players who play more than just 1 or 2 courses.

#4: Analyze the Findings and Results of Your Measurements

Analyze the results of your tracking to measure the revenue that is generated directly by the marketing effort (either individually or overall). To do this, you need to know the approximate value of each sale you make, using information from the various measures discussed earlier. Then multiply the number of sales generated from your marketing efforts (or a specific marketing activity) by the average value of each sale to determine the amount of revenue generated. Comparing this revenue to the amount you spent on the marketing effort will tell you the Return on Investment, and help you decide if it was a worthwhile effort.

Exhibit 8
Sample Tracking Sheet for Enquiries or Reservations – A 'Tick' Sheet

Marketing Mediums/Tactics	Number of Enquiries or Reservations
Repeat Visitor	~~////~~ ~~////~~
Website	
Your Website	~~////~~ ~~////~~ ~~////~~
www.novascotia.com	
DMO website	
Others your business advertises on	~~////~~
Travel Guides	
Doers and Dreamers	
Regional Travel Guide	
List other travel guides in which you are listed	
Key Advertising Mediums	
Saltscapes Magazine	
List other key advertising mediums you use	
Brochure	
Visitor Information Centre	
Check In Nova Scotia	
Signage	
Friend or Family Member	
Referral from another Business	
Other:	
List other marketing activities	

An example of a small inn tracking sales of a Christmas package is presented in the box below.

Measuring the Impact of a Marketing a Christmas Package in the Chronicle Herald

Goal:	Generate $10,000 of revenue from the sale of a special Christmas Package, targeting 50 packages to be sold in total.
Measures:	1. Number of packages sold. 2. Revenue per package.
Tracking Tools:	1. Anyone calling to book the package is asked how they heard about it. 2. Information on the total spending of each package customer is compiled in a separate spreadsheet.
Analysis:	Number of packages sold where the Chronicle Herald was identified as the source of information X Average spending per package customer = Total Package Revenue Generated by the Chronicle Herald Ads.
Return on Investment	$\frac{\text{Total Package Revenue}}{\text{Cost of Herald advertising}}$

Exhibit 9 provides a summary sheet that could be used to calculate the ROI on each of your key marketing mediums. You should also look at the ROI of each marketing effort against the net contribution to overhead generated, to ensure that the cost of the marketing program is not exceeding the contribution it generates to your bottom line. To do this, add another column to the summary sheet and estimate what proportion of the revenue is a net contribution to your overhead, then divide this number by the marketing expenditure.

It is important to compare the results of your marketing efforts overall, to last year's performance, by target market, between one marketing medium and the next (if possible) – and use this information to refine your marketing strategy and tactics, as well as your marketing budget and how it is allocated.

Exhibit 9
Calculating the ROI on each Marketing Medium

Marketing Mediums	Expenditure on Each Medium (A)	Revenue Generated from this Source (B)	Revenue divided by Expenditure (B ÷ A)
Repeat Visitor			
Website			
Your Website			
www.novascotia.com			
DMO website			
Others your business advertises on			
Travel Guides			
Doers and Dreamers			
Regional Travel Guide A			
Regional Travel Guide B			
Key Advertising Mediums			
Brochure			
Visitor Information Centre			
Check In Nova Scotia			
Friend or Family Member			
Other:			

SECTION 5

Pricing

SECTION 5

PRICING

There are several aspects to pricing your tourism product. First of all, you have to recover your costs, secondly you want to pay yourself and your loans, and hopefully, have some left over for reinvestment in the business and as a return on your investment. But there are also considerations about competition, high and low seasons, commissions and discounts, groups and so on – all of which have to be figured into your pricing. We will briefly discuss different approaches, go through the "right" way to do it, then look at providing for commissions and discounts and, finally, we will talk about "revenue management".

5.1 Pricing Methods Used in Tourism

1. *Intuition*: The seat of the pants method - a bit like gambling.

2. *Trial and Error*: Prices varied over time to try to get the highest revenue.

3. *Competitive Method:* Positioning your prices relative to the competition.

4. *Under-Pricing:* The discounters' method.

5. *Multi-level Pricing:* Set different prices for different types of customers, e.g.: groups, club members, seniors, etc.

6. *Return on Investment*: Covering all your costs and targeting a profit.

Method # 6 is the best single method, but the best overall approach is to use a combination of methods.

Method # 6 should be the core method, in other words, you should start with it and then modify prices using some of the others. The secondary methods that you will want to use include # 3 and # 5.

The approach, then, is to develop prices that will cover your costs and pay a return on your investment, then vary them up and down to position yourself relative to the competition and provide prices for different market segments you are targeting. But the average price you achieve in the end needs to be close to the average price that gives you the return on investment you need. Let's look at how you set this target price using the Return on Investment Method.

5.2 The Return on Investment Pricing Method

We have developed a worksheet you might find useful as a guide, and it's presented in Exhibit 10. Our example is for setting room rates for a small hotel, but it can be readily adapted for other types of tourism products. Please note that this is a purely theoretical example. Blank worksheets for you to use in establishing prices for your business can be found in Appendix III.

Here are the steps to follow. We will use the hotel room example.

Step 1: Calculate Total Variable Costs Per Unit to be Sold

The first costs to be addressed are those that attach to individual customers or to individual sales – the "variable costs." These costs would be the costs normally incurred on a per person basis – such as room supplies and maid services for a guest room, food materials for a meal, cost of goods for a gift shop.

Step 2: Calculate Fixed Costs Per Unit to be Sold

In the second category of costs are those that will not vary for a particular sale, but do vary for each day or period the customer is being served. These costs could include front office staff, a motorcoach charter for a tour, the services of an instructor or performer, guest speaker, guide, and so on. The task here is to come up with an allocation of fixed costs per day for each sale.

First, you need to have an idea of your total fixed costs for the whole year, and then divide them by the number of days of operation to give fixed costs per day. It will probably be easier if you divide them into categories such as illustrated in Exhibit 10. Then divide the total daily fixed costs by potential sales, in other words, by your total available capacity. In this example, it is total available room nights for the day. If you have an adventure tourism business, it could be the total number of people you could handle on your tour.

Then, add together the fixed costs and divide the total fixed costs by, say, 60% to 70% (as a decimal) of the number of unit sales expected for that period, to determine an allocation of fixed cost for each unit sold. In the case of a hotel, the percentage would be based on your expected annual occupancy, although you may want to use a figure less than you are hoping for. By using a percentage less than 100, you reduce the risk of loss caused by lower-than-expected sales, and you increase the chances for extra profit if your sales volume is on target. In other words, you build in a buffer.

This gives you your total "grossed-up" fixed costs.

Then add the total variable costs and the total "grossed-up" fixed cost figure, and transfer this total to the last column of the first line on the page 2 of the worksheet.

Step 3: Calculate the Share of Marketing and Overhead Costs on a Per Unit to be Sold Basis, for the Year as a Whole

The third category of costs is the marketing and overhead costs for the business as a whole over the course of the year, a share of which should be charged against each product and each sale.

Exhibit 10
Pricing Worksheet For: Room Rate
Variable and Fixed Costs – Page 1

OPERATING COSTS PER UNIT	Formula	Net Cost Per Unit Sold
VARIABLE COSTS	*incremental costs per day for an occupied room*	
Housekeeping service	*wages per hr/# rooms per hour*	*$8.50 per hour/ 2 rooms = $4.25/room*
Room supplies	*cost per occupied room per night*	*$2.50*
Extra Utilities	*cost per occupied room per night*	*$0.75*
Other	*cost per occupied room per night*	*$0.50*
Subtotal: Variable Costs		*$8.00*
ALLOCATION OF FIXED COSTS	*total daily costs allocated per available room night (100 units)*	
Front Office	"	*$750/100 = $7.50*
Utilities	"	*$1,250/100 = $12.50*
Maintenance and night staff	"	*$300/100 = $3.00*
Other	"	*$500/100 = $5.00*
Subtotal: Fixed Costs		*$28.00*
Grossed Up for Average Occupancy Rate		*(60% or 0.6) $28/0.6*
Grossed Up Fixed Costs		*$46.66*
TOTAL VARIABLE AND GROSSED UP FIXED COSTS		***$54.66***

Exhibit 10 cont'd
Overhead Costs and Gross-Up – Page 2

OVERHEAD, MARKETING, MARKUPS				
	Total Cost Allocation Per Day	**Allocated Cost Per Unit Available**	**Occupancy/ Utilization Factor Gross Up**	**Grossed Up Cost Per Unit**
Total Variable and Grossed Up Fixed Costs Carried Forward from Page 1				*$54.66* (A)
OVERHEAD ALLOCATION				
Marketing	*$200,000/365 days = $600*	*$600/100 = $6.00*	*0.6*	*$6.00/0.6 = $10.00*
Other Overhead (including all charges against revenue, taxes, interest & principle payments, etc.)	*$1,000,000/365 days = $2,740*	*$2,740/100 = $27.40*	*0.6*	*$45.67*
TOTAL OVERHEAD COSTS				*$55.67* (B)
TOTAL ALL COSTS (A + B)				*$110.33*
Gross Up Factor for Profit				*15% or 0.85*
Gross Up Factor for Commissions/Discounts				*10% or 0.90*
RETAIL PRICE PER DAY				*$110.33/0.85/0.95 = $147.10*

Exhibit 10 cont'd
Pricing Worksheet - Variable Prices for Different Customers - Page 3

Product	Base Price - average	-- Seasonal Premiums/Discounts --				-- Discount/Supplements Per Person --				
		High	Shoulder	Off Season	Other	Seniors	Children	3rd Person	Single Supplement	Group
Room Rate	*$147.10*	*+ 15% $169*	*-20% $118*	*-30% $103*		*-10% $132*	*-20% $118*			

You need to include all of your annual costs in these figures. For example, other overhead would include administrative salaries, insurance, taxes and payments on your financing.

Allocate these costs first over the number of days your business is operating, then by the number of units (room nights, person tour days etc.) available.

Then (as in Step 2) divide by 60% to 70% (as a decimal) of the total number of sales expected, to come up with a grossed-up cost per unit.

Step 4: Calculate Total Cost on a Per Unit Sold Basis

Add together the per unit costs calculated in Steps 1, 2 and 3, to arrive at a total net cost per unit to be sold.

Step 5: Mark-Up Total Costs to Cover Commissions, Provide a Profit and Determine an Average Retail Price Per Unit

Mark up the total per person costs to cover travel agent and tour operator commissions and discounts (if applicable) and, of course, your profit.

Commissions/discount margins will vary depending on how the product is to be sold. If it is to be sold directly to consumers, you may not need a margin for commissions. However, if you are going to sell through travel agents, you will have to provide for a commission of 10% or more. Tour operators will need a margin of 20% to 25% or more. (See the discussion below on travel trade commissions and discounts).

If a mix of commissionable bookings, or a mix of commissionable and non-commissionable business is expected, you will need to calculate a weighted average commissions allowance, based on the expected proportions of sales. This is done by the following process:

1. Estimate the percentage of your total business that you expect to come from each market segment over the course of a year, including markets that are not commissionable.

2. Estimate the average percentage discount and/or commission applicable in each segment.

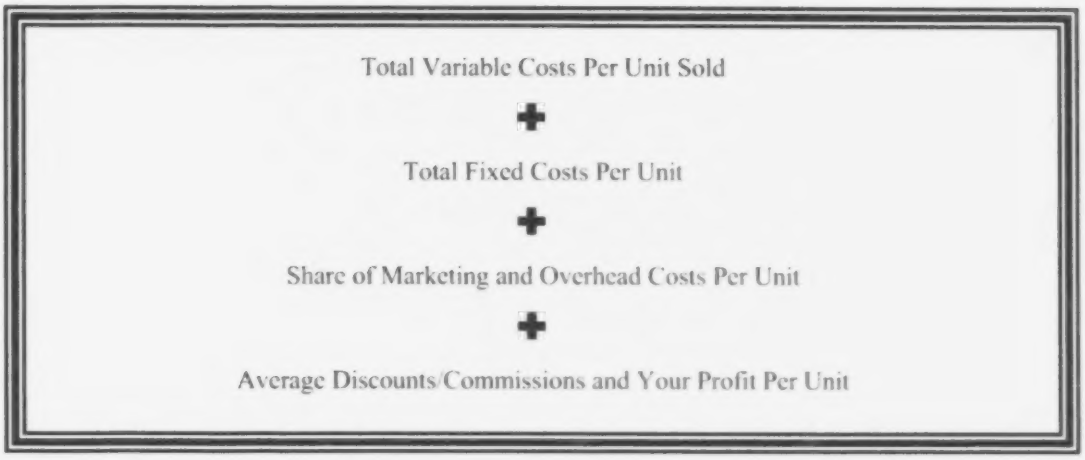
3. Calculate a weighted average allowance for net rate discounts and commissions averaged over your total business volume, including non-commissionable sales.

4. Gross up your pre-allowance prices to provide the allowance, based on the weighted percentage calculated in #3.

The result of this analysis is to provide for an allowance on all sales to amortize the cost of commissions and discounted net rates. The net effect is that non-commissionable/non-discounted prices and market segments will subsidize the commissions and discounts applicable to the other markets.

A similar analysis should be performed for seasonally varied prices.

The total price per unit is therefore:


Total Variable Costs Per Unit Sold
+
Total Fixed Costs Per Unit
+
Share of Marketing and Overhead Costs Per Unit
+
Average Discounts/Commissions and Your Profit Per Unit

Step 6: Calculate Selling Prices for a Full Range of Customers

To calculate your selling prices for the full range of your customers, you have to adjust your average price per unit, so that you can offer rates for singles, third and fourth persons sharing one room, children, people travelling off-season, retired mature travellers, group bookings, and so on.

Appropriate reductions and extra charges may be incurred with outside suppliers, and these should be taken into account when calculating your range of selling prices.

It will be important to establish a range of prices which, on average, based on the expected mix of business, provides you with the average profit targeted in Step 5.

5.3 The Concept of Providing for Commissions and Discounts for the Travel Trade in Your Pricing

A number of tourism operators take the attitude that paying commissions or providing discounts to others, for example, travel agents and tour operators, is unwarranted – that it is like paying out money that really should be theirs to keep. But we take a very different approach and we strongly recommend you consider adopting the same one. Using commissions and discounts can be a very effective means of growing your business. And, done right, it will increase your profits, not erode them. Here are some insights and some suggestions.

The Marginal Cost Effect

Given the presence of substantial fixed costs in most tourism businesses, there are usually substantial economies of scale in adding one more customer, or in adding an additional group of customers. The extra revenue has fewer costs to cover before it earns you a profit.

During periods when your business is not expected to be operating at capacity, as long as the revenue from the additional customer covers more than the extra costs of servicing the extra customer, it is profitable to make the sale at a discounted price.

A classic example of this is the renting of a hotel room. The incremental cost of renting one more room on a given date when otherwise the room would be vacant (or an additional block of rooms that otherwise would be vacant) is only a small fraction of the cost of the normal room rate, probably only $5 to $10. The extra costs for a hotel servicing an additional customer probably are limited to an additional half-hour of a maid's time, some room supplies, perhaps some additional heating cost, but that's about it. All the other costs, for marketing, overheads, debt service, etc., will not increase.

This concept of having a variable pricing system based on covering extra costs for getting extra business is important if you want to do business with the travel trade, and it is also vital to validating the discount structure necessary for doing business with the travel trade. To make it work, the pricing program must, on balance, generate a significant portion of extra demand for the supplier in periods in which there would normally be surplus capacity – in other words, in periods of the week or the year that can be normally predicted to be slow. The "cost" of the discounts can then be weighed against the extra profits on the additional business you can get in these periods.

However, it is not reasonable to just do business with the travel trade in your slow periods. They are going to want to do business in your busy season as well. It will therefore be important to weigh the cost-benefit of the discounted business against not only the incremental profitability from the extra business achieved in off peak periods, but also to consider the lost margin on this business in periods when you might have been able to sell the product at full rate. The idea is to be able to offer commissions and discounts in all seasons, but to earn more revenue overall from the relationship.

The Cost Displacement Effect

When a tour operator or other travel trade company works with you, they carry some of the costs of doing business. For example, a tour operator will carry most of the marketing costs, as well as the costs of handling reservations and sales administration. These are costs that the tourism supplier is relieved of for travel trade originated business. This cost displacement effect helps justify your discount and commissions policy.

5.4 Is it Better to be Cheaper than the Competition?

Not necessarily – only if price is the only thing that you can offer as a USP. And if it is, you may find it exceedingly difficult over time to survive in business. All it takes is someone with deeper pockets to outlast you in a discounting war to put you out of business. Look at what has happened to the retail industry in Canada since WalMart arrived.

And this is not a new issue! In the words of John Ruskin (1819 - 1900):

> *There is hardly anything in the world that someone can't make a little worse and sell a little cheaper – and those who consider price alone are this man's lawful prey.*

Your business strategy should be to ensure that you can make money in the business and be able to sustain profitable prices even in the face of price competition. You need to develop customer loyalty by providing value in other ways. Lower price should only be relied upon as a competitive

weapon in periods of soft demand, for market segments in which a lower price will induce more people to buy, and where the increased volume at the lower price is more profitable overall. But if the discounted price means that all your prices are eroded and profits decline, it is not a good idea.

The whole science of revenue management has come into being to provide a system for using price as a means of increasing revenues and profits, so let's look at it briefly. We can only introduce the topic here.

5.5 Revenue Management

Revenue management is a proven technique for maximizing revenue and profitability. It is a method of selling the "right inventory unit to the right type of customer, at the right time, and for the right price." It was developed in the 1980s by the airline industry and adapted by the package tour and hotel sectors in the 1990s. It is now being used in the attractions business as well.

Revenue management is a strategy of continually monitoring and forecasting demand, and using inventory and pricing strategies to maximize revenues on a daily basis. Transportation companies generally refer to the practice as "yield management", while most hotels refer to it as "revenue management."

Revenue management is characterized by:

- Using different prices to stimulate demand
- Maximizing yield or the average amount of revenue per available unit of inventory (e.g. room night, seat, ticket)
- Being flexible when necessary, but price restrictive whenever possible
- Always offering high rates, while offering lower rates only when demand is low and the market demonstrates price resistance.

Businesses can take maximum advantage of the technique, if they have most of the following characteristics:

- Operate with a fixed capacity (e.g., fixed number of rooms or seats available)
- Have similar inventory units (so that the operator can focus on varying the price for a unit type and not have to cope with different prices for different unit types at the same time, which makes things much more complicated)
- Have markets that can be segmented (e.g., business, group, family)
- Have predictable demand in different market segments – demand that varies by season, month, and day
- Have high fixed costs (e.g., high overhead costs relative to service-related costs)
- Have low variable costs (e.g., the incremental costs of handling an additional customer):
- Maintain advanced bookings and a reservations system
- Have the ability to customize and price products to suit different customers and markets – with restrictions to make it difficult for other market segments to buy.

The practice is most often associated with transportation and accommodation businesses, for which it can work quite well. However, other tourism businesses can use it to varying degrees, particularly those in package tours and attractions. Today, more and more types of businesses are recognizing the value of revenue management and applying these concepts to increase their profitability in today's complex and highly competitive environment.

If you can increase the number of guests in a particular market or time period by reducing the price you charge to that guest or in that time period, and if this greater number of guests and lower price results in more total revenue, and if the discounted price doesn't unduly undermine your ability to get your regular business at your regular prices, then it is to your advantage to offer the discounted price. The trick is to accomplish all of these things at once.

The airline industry accomplishes this by offering deep discount fares but restricting them to flights expected to have unsold seats, and by imposing various limitations and surcharges for cancellation or changes on discounted tickets. The strategy is to make it impractical for their bread-and-butter full-fare business travellers to take advantage of the discounted fares and to generate new business in soft demand periods from non-business traveller clientele who are highly price-sensitive.

Accommodation operators can practice revenue management by offering special rates for off-season/shoulder season business and for market segments that are highly competitive (such as business travellers or meetings). Special rates can be offered for slow days (often weekends for urban, commercial properties and weekdays for resorts). Packages, accompanied by attractive accommodation prices, can be used to build business in slow periods. In this case, the added appeal of a package is supplemented by a price saving to generate demand that wouldn't otherwise exist.

Computers can help you perform the analysis necessary to support revenue management.

Revenue management is not as well suited to resort hotels and other businesses that predominantly cater to group business. Having transient business from business and leisure traveller markets that book late is important to the technique. It also doesn't work as well for very small businesses.

One of the problems with liberal use of revenue management is the loss in 'price integrity' that results. How will customers accept 'normal' prices when there is widespread availability of discounted prices? But it is evident that consumers are getting used to the idea that there is really no real price for travel related products and services, and that the price available today isn't necessarily available tomorrow, so price integrity seems to be a declining concern. Another concern, and a valid one, is the risk of being too aggressive with the practice, leading to too much diversion of business from the higher prices. But managed properly, this can be minimized.

PART II

Introduction to Marketing Techniques for Tourism Businesses

PART II

Introduction to Marketing Techniques for Tourism Businesses

The remaining sections of the manual address marketing tactics and methods.

The words, "advertising" and "marketing" are often confused by people. Advertising is just one component of an overall "marketing mix", or range of promotional techniques for your business. As you have seen in the earlier sections, many other components must come together with advertising and promotion to provide an effective marketing approach.

Exhibit 11 presents a summary of the various types of activities involved in the marketing mix and the types of tourism markets for which they are used. In sections 6 through 12 we will introduce you to the key marketing methods. The exhibit indicates the content presented in each of these sections.

The introduction of the Internet has fundamentally transformed tourism marketing. Today, in 2006, websites, Internet advertising, e-marketing a variety of other new digitally-based techniques are available to marketers. We will therefore start, in Section 6 with an introduction to the evolving Internet-based marketing methods available prior to moving in the subsequent sections to more traditional methods. However, in discussing the more traditional methods we will also note the impacts the Internet is having on these techniques as well.

Given the continuing evolution of the Internet and e-marketing technologies, the situation is bound to be continually changing, so you are advised to make an effort to keep on top of the emerging techniques.

Exhibit 11
The Marketing Mix

MARKETING ACTIVITIES AND TECHNIQUES	TARGET MARKETS		
	Consumers	Groups	Travel Trade
Internet Marketing **(Section 6)**			
• Website	✓	✓	✓
• E-marketing	✓	✓	✓
• Other Internet marketing techniques	✓	✓	✓
Advertising and Promotion **(Section 7)**			
• Newspapers	✓	✓	
• Magazines	✓	✓	
• Travel Guides	✓	✓	✓
• Travel Publications	✓		✓
• Yellow Pages	✓	✓	✓
• Outdoor/Transit/Mall	✓	✓	
• Contra Promotions	✓		
• Radio	✓		
• Television	✓		
• Direct Marketing and E-marketing	✓	✓	✓
• Cooperative Advertising	✓	✓	✓
• Receptions/Seminars/Presentations	✓	✓	✓
• Travel Writer Visits	✓		
Collateral Materials **(Section 8)**			
• Brochures	✓	✓	✓
• Information Kits		✓	✓
• Posters, Displays	✓		
Direct Selling **(Section 9)**		✓	✓
Other Methods **(Section 10)**			
• Visitor Information Centres	✓		
• Other Businesses – cross marketing	✓		✓
• Check-In	✓	✓	✓
• Provincial and Regional Guides	✓	✓	✓
• Signage	✓	✓	
• Public Relations/Publicity	✓		
• Media Relations	✓	✓	✓
• Consumer Show and Other Events	✓	✓	
Packaging **(Section 11)**	✓	✓	
Travel Trade Marketing **(Section 12)**			✓

SECTION 6

Internet Marketing

This section was prepared by Verb Interactive, Inc,
Halifax, NS

SECTION 6

Internet Marketing and Websites[2]

6.1 Internet Marketing

The Internet is the first place many travel and tourism consumers look today for travel-related information. If the information they expect is not there, or worse, they cannot find what they desire at all online, businesses are in serious danger of losing significant market share. According to a recent study, 69% of business travelers and 63% of leisure travelers use the Internet to plan some aspect of travel (*Yesawich, Brown & Russell and Yankelovich Partners, 2004*). A recent study by *PhocusWright (2004)* determined that the online travel market is growing at a rate of 30% annually, which is expected to continue through 2006.

Here in North America, the Internet has truly become a component of daily life. According to a survey conducted by Burst Media (http://www.burstmedia.com/), the personal computer is quickly taking over in the home as the number one source for communications and entertainment. For many, the personal computer is the first choice for listening to music, playing games, watching movies/videos, checking out the news and doing research. People are spending less time in front of the tube and more time on their personal computers.

This presents an enormous opportunity for all tourism businesses that choose to take advantage of what the Internet has to offer and understand that their website is a tool to help their organization communicate their tourism operations experience to their target market segments. The industry is in a transition period and those operations that choose to resist change will not move forward with the rest of the industry, which will ultimately result in less business, less product awareness, and ultimately lost revenue.

Tourism operators are using the Internet to generate leads, sell their wares, communicate their experiences, provide customer service, market their business and more. A recent study by well-known hosting company, Interland (http://www.interland.com/) uncovered that 69% of small businesses defined the Internet as being critical in driving business. In that same study, almost all companies said the Internet is 'very' or 'somewhat' important to driving business.

Note: The Internet has spawned its own language, which makes things very confusing for neophytes. However, an excellent dictionary is available at http://www.netlingo.com/inframes.cfm.

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[2] This section of the manual was authored by **Verb Interactive, Inc**. Halifax

Pure Growth in Online Advertising

Much of the advertising dollars spent online seems to be on travel, health, reference and lifestyle/news/entertainment websites. Advertisers are getting much smarter about their initiatives and targeting people based on their behavior to increase response rates. We said earlier that not everyone is the same and advertisers are beginning to address this.

Research shows that online advertising works and it is becoming big business. In fact, a large portion of online advertising dollars spent are on travel-related advertising. In the US, companies are expected to spend between 4 and 5% of their total advertising budget on online initiatives in the coming year, according to recent eMarketer (http://www.emarketer.com/) data for advertising spending. Spending on online advertising as a percentage of total advertising is growing.

Figure 1: Spending on Online Advertising

US Online and Total Media Advertising Spending, 2001-2008 (in billions and online as a % of total media spending)

	Online	Total	Online as % of total
2001	$7.1	$231.3	3.1%
2002	$6.0	$236.9	2.5%
2003	$7.3	$245.5	3.0%
2004	$9.5	$264.2	3.6%
2005	$11.5	$278.5	4.1%
2006	$13.4	$291.0	4.6%
2007	$15.6	$302.0	5.2%
2008	$17.6	$307.0	5.7%

Note: eMarketer benchmarks its US online ad spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PWC) data, for which the last full year measured was 2003. eMarketer benchmarks its US total media ad spending projections against the universal McCann data, for which the last full year measured was 2004.
Source: eMarketer, February 2005

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Where are businesses spending their advertising dollars and what is working? These charts (Figures 1 – 3), presented by eMarketer, help shed some light on the subject. Companies are spending more money on almost all types of online advertising.

Figure 2: Advertising Spending By Format

US Online Advertising Spending, by Format, 2002-2008 (as a % increase/decrease vs. prior year)

	2002	2003	2004	2005	2006	2007	2008
Display ads	-30.2%	-13.5%	15.2%	14.5%	6.5%	20.1%	9.4%
Sponsorships	-42.2%	-33.5%	17.7%	14.3%	16.5%	16.4%	12.8%
Paid search	210.5%	174.3%	51.3%	22.5%	17.9%	17.8%	12.8%
Classified	-19.4%	37.0%	30.7%	24.6%	16.5%	13.1%	9.5%
Rich media*	69.9%	93.5%	38.9%	35.3%	28.8%	27.5%	22.6%
Interstitials*	12.3%	-39.5%	-	-	-	-	-
E-Mail	22.9%	-9.3%	-12.8%	21.1%	16.5%	-12.7%	12.8%
Slotting fees	-13.1%	-54.7%	8.9%	-3.2%	16.5%	-41.8%	12.8%
Referrals	-57.9%	20.9%	161.5%	21.1%	16.5%	16.4%	12.8%
Total	**-15.8%**	**20.9%**	**30.7%**	**21.1%**	**16.5%**	**16.4%**	**12.8%**

*Note: eMarketer benchmarks its US online ad spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PWC) data, for which the last full year measured was 2003; *as of 2004, the Rich Media category includes interstitials*
Source: eMarketer, February 2005

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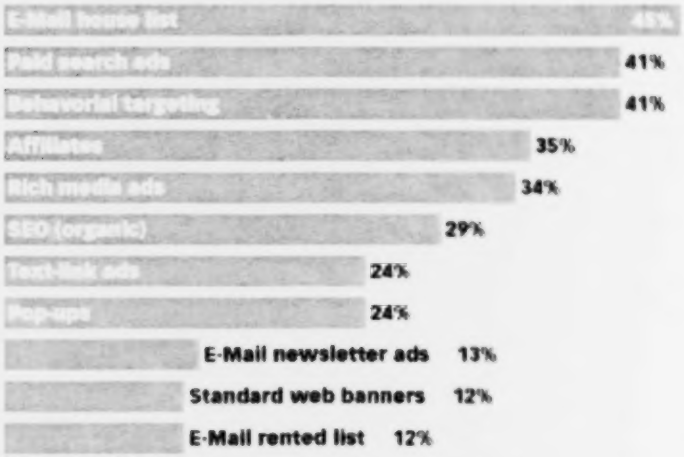
Figure 3: Advertising tactics that work well

Top Performing Online Advertising Tactics* according to AD:TECH Attendees, December 2004 (as a % of respondents)



*Note: *respondents who said the tactic performed "great"*
Source: MarketingSherpa, January 2005

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In the near future, we will hear more about RSS (an "RSS Feed" is a format for syndicating Web content, designed for sharing information published on other Web sites. The idea is that when the published RSS changes, the content fed to your Web site will automatically change too) blogs and so on as viable marketing tools. For now, email marketing and search engine placement are particularly big drivers for small-to medium-sized businesses.

Companies are aware of the importance of the Internet to their business and trends indicate that they are investing more in advertising and in technology to grow online. It's all about the return on investment.

What Does This Mean To Your Organization?

All tourism operations should have an e-business and Internet marketing strategy. The e-business strategy, or Internet marketing strategy, should take into account your operation's online marketing objectives, target market segments and product/service offerings - the foundation for the entire strategy. A summary of key, common e-business strategy goals include:

1. Generate more business from direct online sales or sales influenced by the Internet
2. Increase the share of the target market's spending
3. Increase overall conversion rates
4. Increase repeat business and build relationships with the target market through improved customer satisfaction, loyalty, and retention initiatives
5. Increase awareness and educate the target market about the company or destination area to build on the brand identity
6. Increase targeted website traffic
7. Reduce internal costs by reducing inefficiencies and expenditures to increase overall profit margins.

For example, a hotel operation would look favourably on initiatives to reduce reliance and fees paid to intermediaries (e.g. Expedia) through the implementation of focused efforts on direct online bookings. The Internet is the cheapest distribution medium for hotel services.

The first step towards achieving these goals and reaping the rewards is to understand the current effective Internet marketing mechanisms and trends readily available to travel operations. The purpose of this section is not to show you how to execute each strategy, but simply to act as a compass and point you in the right direction as to where you should be focusing your online marketing efforts. Remember, it's those operations that embrace the Internet that will reap the benefits of what it has to offer.

6.2 Developing Your Website Strategy

A well-planned Internet marketing strategy distinguishes those businesses that are committed to the long term potential of the medium from those who are simply marketing online because the market says they should. There are three key components that are the foundation of your entire website and Internet marketing strategy. If you don't clearly define these items, your entire online marketing strategy will fall to pieces. A strong online strategy is a result of a clear understanding of the following components:

- ***Online Marketing Objectives:*** Any online marketing activity, whether it is the development of your website or planning sessions for an online campaign, should begin by documenting the

specific primary objectives for the activity. Typically it boils down to one primary objective that is common across any business – revenue generation. Common online objectives for tourism operators include increasing one or more of the following; online reservations, information requests, brochure requests, newsletter subscriptions, RFP requests for meeting and event planners or online sales.

- ***Target Market Segments:*** As important as it is for you to understand what you are trying to accomplish online, it is equally important to thoroughly understand who you are trying to communicate with. Who is your target market online? Even in today's connected business environment, people don't step back to think about the different segments of your target market who could visit your website and how you are planning to communicate with each of these segments. So who is your target market? Leisure travelers? Business travelers? Meeting and event planners? Group travel organizers? All of these? Take the time to document each of your target market segments and plan your website strategy around their requirements.

  If you are targeting different market segments, it's important that your website is designed in a manner that you can communicate with these different segments. For example, if you are a hotel operator and you are targeting both business and leisure travel it is critical that you have content on your website that speaks to needs of these two distinct markets. Different features appeal to different markets so it's important that you position your product or service to each segment.

  In some cases tourism operators take an extra step to create multiple websites that frame their whole message to speak to unique market segments. Continuing with the example above, it's not uncommon for hotel operators to develop targeted mini-sites that are accessible from their main website to speak to specific market segments. An example would be to have a mini-site that is developed specifically to communicate with meeting and event planners where all content and creative are tailored to appeal specifically to this market segment.

- ***Products and Services:*** It's amazing how many businesses get caught up in the design process of their Internet presence and lose sight of what it is that they are actually promoting online. Quite often businesses get so involved in wondering how their website looks that they actually forget about what it is they are promoting, who they are targeting and why they are even promoting it online in the first place. How does your product appeal to your target market? How do you communicate your story to your target market? This is a key component of your online marketing strategy.

Selecting the Right URL

A domain or URL is essentially your address on the Internet, and it can influence consumer perceptions, your ability to brand, and your findability online. In general, a great domain name utilizes an organization's title, an individual's name, a familiar 'brand' name, or relevant descriptive keywords.

As a tourism operation, your organization uses its website reach to attract travelers from around the world. It is recommended that you purchase a .com domain first, if available. By using the .com top-level domain for your website you are helping to ensure that it can be universally found. People typically default to .com by habit. A .com address is the most popular top-level domain.

In general, a great domain name utilizes an organization's name or a familiar 'brand' name / landmark / geographic location (e.g. www.NovaScotia.com).

There are hundreds of places available online where you can purchase a domain name for your organization. Below you will find a listing of some of the more popular vendors and resellers:

Network Solutions – http://www.networksolutions.com
Internic.ca – http://www.internic.ca
GoDaddy.com – http://www.godaddy.com
Register.com – http://www.register.com
Domain Direct – http://www.domaindirect.com

It's important to note that your URL should be included on all offline marketing collateral to encourage your target market to visit you online. In fact, many tourism operations purchase multiple URLs to include on different offline marketing pieces to measure which pieces of collateral drive the most traffic to their website. Through monitoring which collateral is driving the most traffic to the website tourism operators can evaluate the effectiveness of their overall campaign and make more informed decisions about where they should allocate their marketing budget.

The '.travel' domain

One of the obstacles to tourism operators conducting business on the Internet is to distinguish themselves as legitimate businesses amongst websites that have been created solely for the purpose of making a quick profit with no intentions of providing long-term service. The travel industry recognized this challenge and responded with the new '.travel' domain.

The main difference with the .travel domain and a .com or .ca is that to obtain a .travel domain a company must be pre-approved by a legitimate organization. In Canada, the .travel domain is administered by the Tourism Industry Association of Canada (TIAC).

It is yet to be seen how the .travel domain will be received by the general public. However, the Canadian Tourism Commission (CTC) is a large advocate for the .travel domain and they have been encouraging DMOs to purchase their .travel names.

Website Hosting

Selecting the right hosting company is important. Your business needs a hosting company that is reliable, cost effective and follows best practices. It's important to note that the quality of your hosting provider can effect how effective your marketing efforts are. Topics to consider when selecting a host include:

1. Does the host provide services to known spammers or adult sites?
This is an essential consideration because, if the host you select does host known spammers or adult websites, then there is a high probability that the host is blacklisted with a number of Internet service providers (ISPs) and on a range of spam-block lists, which means your email is likely to get blocked too.

2. Does the host have the available resources to handle significant traffic spikes?
The host must be flexible with the bandwidth they allow your site to use. Likewise, if your requirements steadily grow over time you want to know that the host can offer services that grow along with you.

3. What is the quality of the support?
You need to look at whether or not 24/7 support is available and the track record for response time when service is required. You cannot afford to have your website down for days, let alone hours. When selecting a host it is important to evaluate their capabilities with supporting their service.

4. How credible is the host?
If no physical address is available on the website, forget that host. If you call the host and it is always the same person answering the phone (or no answer at all), forget that one too. You must select a host that is going to be there tomorrow, a year from now, and into the future. Evaluate the quality of their facilities. Do they have backup servers in case their primary servers go down? Do they schedule daily backups of all files on their servers? These are all questions that you should ask the hosting provider.

5. What value-add does the host bring to the table?
The host should be open to your needs, not just give you space to place your website. As your website grows you will likely have additional technology requirements and you want to make sure the host is receptive to assisting you in these matters.

The hosting package depends on the anticipated traffic volume, technology needs and the account type. A shared, virtual private server, dedicated service will have a starting price ranging from $10 to $300+ per month depending on your requirements, the latter would be for a robust website. For a typical website for a small to medium sized tourism operation that has a standard website it is recommended that you should not pay more than $25 per month to host your website. With the vast amount of hosting providers located throughout Canada and the USA there are several cost effective options available – you just need to be careful where you host your site to avoid any unpleasant experiences.

How do you evaluate a hosting provider? Review the hosting requirements for your website and shop around. If you are using an outside developer to build your website get them involved in the process to make sure you are using the correct requirements. Once you have identified a number of hosting providers compare their hosting packages against each other to see the strengths of each. Then dig deeper. Call one of their sales agents and ask them the questions outlined previously in this guide.

Also, remember that you don't need to host your website with the person who builds it for you. Quite often smaller organizations get stuck hosting their site with the person who develops their website for them because they are led to believe that this is the only option. There are literally thousands of options available to you so make sure that you are choosing the right option for your business.

The Importance of Strong Design

According to a recent research report by Consumer WebWatch (*'How Do People Evaluate a Website's Credibility? Results from a Large Study', 2003*), 46.1% of the credibility of a website is based first on its look and feel, or graphic design. People will "judge a book by its cover," so-to-speak, when they first come upon your website. People like stuff that looks good.

Strong creative design & branding is key to the ability of the website to communicate the value proposition and positioning of the brand through visuals. The design of a website must be engaging; it should promote a memorable experience, extend the reach of the brand through the website and be consistent with the message delivered through traditional means.

Design your site for your target markets – what will make them respond favorably? If you are targeting a number of different market segments it's important that your design communicates to each of these market segments. For example, if you are targeting meeting and event planners does it make sense to present the user with family oriented leisure travel photography on your website? No, instead the user should be presented with visual cues and supportive content that reinforces the message that you are trying to communicate to your target market. If you are targeting multiple target markets with one website then you should have unique sections on your website to communicate your tourism operation's experience to each market segment. These are just a few considerations that go into a great design that you should keep in mind.

Think about the quality of the design work – in addition to visual appeal you need to consider the functional and performance aspects of the design. You want your design to naturally guide the eyes of your potential customer and you want it to be easy for them to take the desired action on your website. Marketing the experience means everything in the tourism industry – communicate your experience through your creative design!

On the following pages, you will find examples of some great tourism-related websites that are blending strong creative design with functional navigation to push their experience home to their customers. Why are these websites great? To put it simply, marketing tourism is about marketing the experience. Each website utilizes strong visual cues that make you feel like you are a part of the experience. The strong visuals are accompanied by a well balanced navigational structure that provides quick and easy access to information throughout the website. Users don't have to think – it's just a matter of point and click to learn more about the experience.

Figure 4: North Carolina Division of Tourism (http://www.visitnc.com)

Figure 5: Tourism Zealand Travel (http://www.newzealand.com/travel)

Figure 6: Rodd Hotels and Resorts (http://www.roddvacations.com)

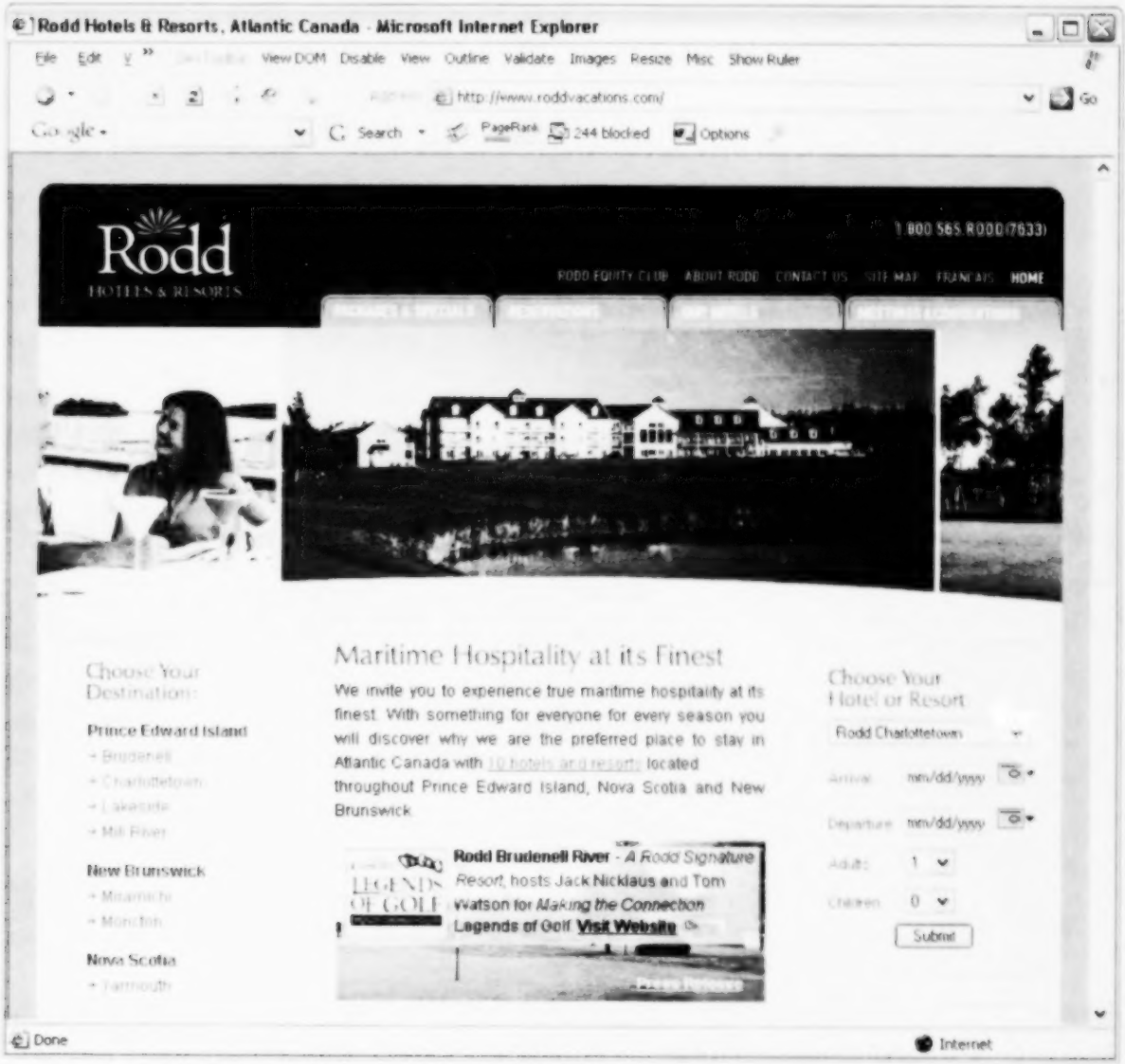

Rodd Hotels & Resorts, Atlantic Canada - Microsoft Internet Explorer
http://www.roddvacations.com/
Rodd
HOTELS & RESORTS
1 800 565 RODD (7633)
RODD EQUITY CLUB
ABOUT RODD
CONTACT US
SITE MAP
FRANÇAIS
HOME
Choose Your Destination:
Prince Edward Island
New Brunswick
Nova Scotia
Maritime Hospitality at its Finest
We invite you to experience true maritime hospitality at its finest. With something for everyone for every season you will discover why we are the preferred place to stay in Atlantic Canada with 10 hotels and resorts located throughout Prince Edward Island, Nova Scotia and New Brunswick.
Rodd Brudenell River - A Rodd Signature Resort, hosts Jack Nicklaus and Tom Watson for Making the Connection Legends of Golf. Visit Website
Choose Your Hotel or Resort
Rodd Charlottetown
Arrive mm/dd/yyyy
Departure mm/dd/yyyy
Adults 1
Children 0
Submit
Done
Internet

Figure 7: The Cove Oceanfront Campground (http://www.oceanfront-camping.com)

The Cove Oceanfront Campground - Parker's Cove, Nova Scotia - Microsoft Internet Explorer
http://www.oceanfront-camping.com/
The Cove
Oceanfront Campground
Parker's Cove, Nova Scotia
About Us | Getting Here | Contact Us | Site Map
"Nova Scotia's Only Four Star Oceanfront Campground"
Fresh Salt Air, Spectacular Sunsets
Shared Experiences
"Sunsets were absolutely spectacular! Facilities were awesome and we were treated with fantastic week of weather on top of everything else. We will be talking about this campground for a long time to come."
The Dufour Family
Montreal, Quebec
Greetings from The Cove
Local Events and Activities
True oceanfront camping in Nova Scotia, on the spectacular natural wonder that is the Bay of
Opens - May 21, 2005
Done
Internet

Figure 8: Nova Scotia Department of Tourism, Culture and Heritage
(http://www.novascotia.com)

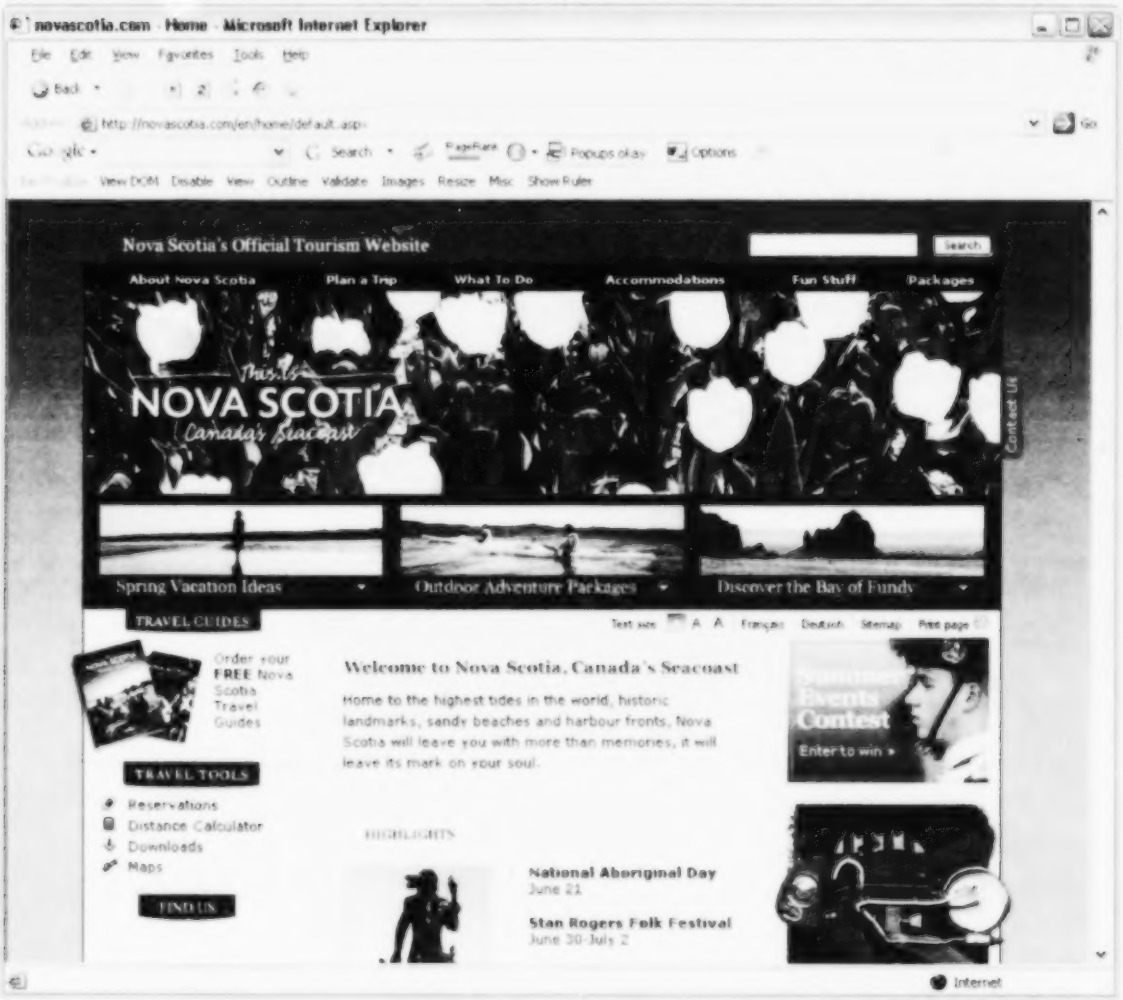
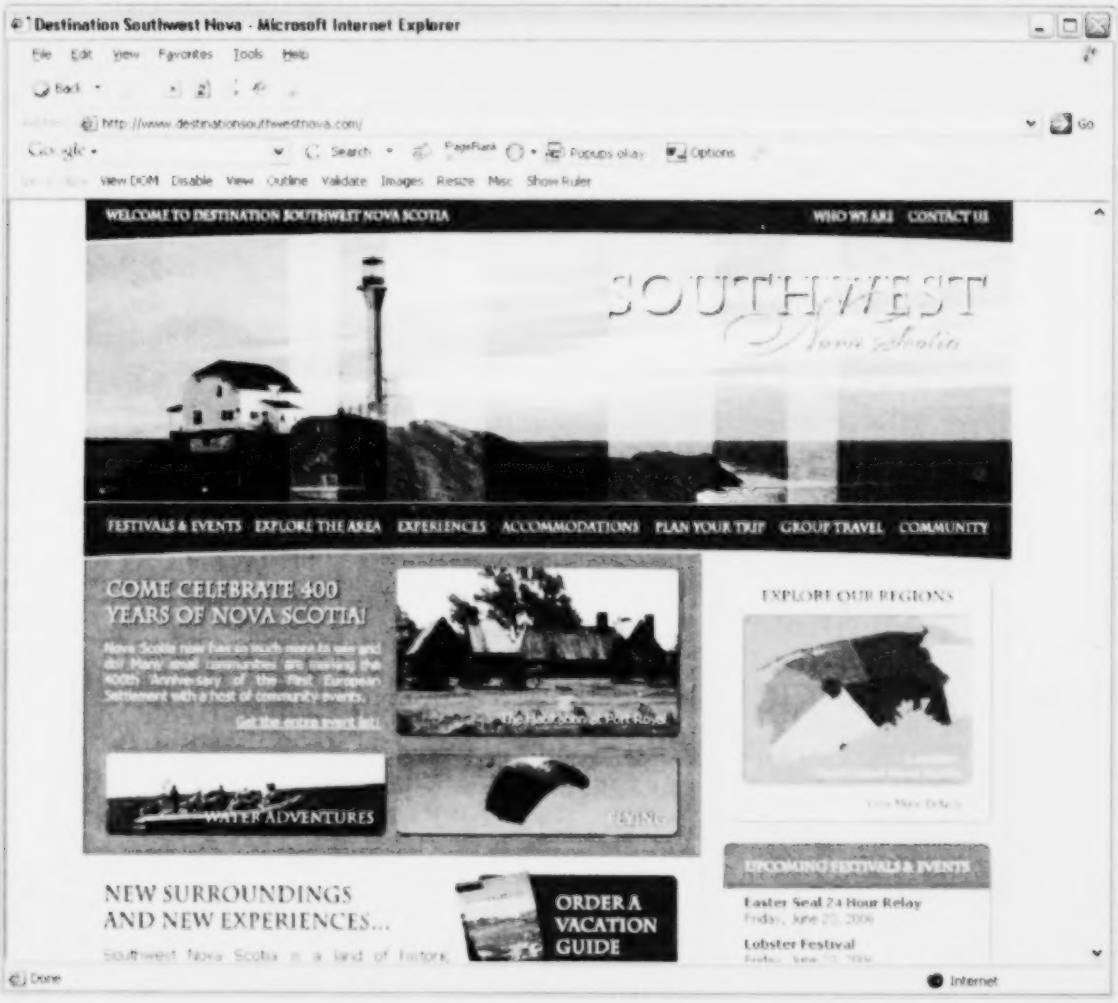


Figure 9: Coastal Discovery Guide (http://www.coastaldiscovery.com)

Coastal Discovery Guide Online - Microsoft Internet Explorer
COASTAL MAINE
NOVA SCOTIA
PRINCE EDWARD ISLAND
NEW BRUNSWICK
COASTAL DISCOVERY
Vacation Packages | Explore Our Regions | Plan by Experience | Getting Here | Know Before You Go
Cheticamp
Nova Scotia
Select Your Destination
Coastal Discovery
Order your FREE Vacation Guide
Get your FREE 2006 Coastal Discovery Vacation Planner
Click to Order Now!
Coastal Discovery Guide Online
Coastal Discovery is more than just the name of our online magazine—it is a way to discover the hospitality, the incredible scenery, and the famous friendly people of Maine and the Canadian Maritime provinces of Nova Scotia, New Brunswick and Prince Edward Island.
Visit the CAT in Boston
May 19-21, 2006
Print Page
Share this Page
Add to Favourites
Done
Internet

Figure 10: Destination Southwest Nova Scotia
(http://www.destinationsouthwestnova.com)



Developing the Right Navigation Features

Well executed navigation & information structure is essential to the succes ful conversion of prospects to customers through your website. According to a research report by *Consumer WebWatch (How Do People Evaluate a Website's Credibility? Results from a Large Study, 2003)*, 31.8% of people assigned significant weight to the information structure of tourism sites when assigning credibility to a website. Basically, sites that are easy to navigate are viewed as being more credible.

The first step in designing your site and its navigation is to lay it all out on paper – before expensive and time-consuming programming is involved. Set up basic flow charts or visual layouts that you can test on paper before committing them to hours of development time, and cost.

A site must be credible in order to drive favourable actions from your target market. The navigation and information structure for a website must be logical, focused around the key objectives of the target market, easy to use, free of errors and consistent throughout the website.

A couple questions to consider when thinking about site navigation are:

1. Is the website easy to use? The navigation should remain consistent throughout the website for familiarity and naturally guide users through to completing their desired goals. Navigation links should be clearly labelled so that there is no frustrating guesswork.

2. Does the Website offer navigation alternatives? A good website should give the target market more than one way to navigate such as text link alternatives for users with accessibility issues, an HTML alternative to Flash, a site map, perhaps a site search to help find items in a product catalogue and bread crumb navigation component. A bread crumb navigation component is a technique that is used to present the user with a trail of links to tell the user exactly where the page they are viewing is located on a website (e.g. Home > Accommodations > Photo Tour). Remember, good navigation also helps search engines index your website!

Quality Content and Keeping Things Fresh

Content (or copy) on a website must address the needs of the target markets, be complete/useful, accurate, persuasive, speak to the brand, be presented with clarity, and be easily scan-able – people scan, not read; looking for something that peaks their interest.

Good copy builds credibility, trust and ultimately sales for an organization. Copy is what transmits the personality of an organization to the target market. It affects whether they will decide to do or not to do business with a company. Also, quality page copy is essential to ranking well with search engines.

Writing for the Web is different from writing for print. Consumers behave differently online. In particular, people read much more slowly online. When preparing page copy, there are many things to consider; this is why it is recommended that a copywriter with reputable Web experience be hired.

Examples of important content considerations for travel-related websites include:

- ***Market Specific Content:*** Scanning the site immediately triggers the response of a particular audience and you need to ensure that you have content available on your website that speaks to each segment of your target market. For example, the business

traveller has interests that differ from the leisure traveller. This is where being clear about your market segmentation is important in deciding on your content.

- ***Quality of Product(S) and/or Service(S) Content:*** A hotel business might offer catering, high-speed/wireless Internet, extended stays, gift certificates, wedding/special event planning, concierge, rooms/suites, meeting facilities, dining facilities, business centre, etc. It's critical that your content speaks to the value and quality of what you are offering as this is what will help to differentiate you from your competition.

- ***Special Offers and Promotions:*** Special offers are a great way to drive repeat traffic to your site and can be linked directly to your email marketing initiatives or tied into specific content on your site. For example, if you are a hotelier and you are positioning your property as a romantic getaway through persuasive copy and visuals on a given page, then including a call to action promoting a romance package helps to increase the likelihood that a user will inquire about the offering, as they want to recreate the experience you're promoting for themselves.

- ***Customer Service Content:*** Customer service means everything in every business and the more customer service-oriented content you can provide your website, the more your clients and prospective clients will thank you. This includes contact information (both electronic and traditional brick and mortar), frequently asked questions, online inquiry forms, live chat, etc.

A special consideration is the Homepage. The homepage is the first impression and first impressions are everything, which makes the homepage the single most important page of your website. A homepage should set the overall tone for the website and provide clear, immediate direction to the target market. It should inform the user of what they can expect to find on the website as well as give them access to key navigational components of the Website that are dictated by the objectives for the website, your target market segments and the products and services that you are promoting. Remember, these three components are the foundation of your entire online marketing strategy.

Updating and Replying

Two critical elements of your Internet Marketing strategy:

- Keep your website up-to date (More on this topic later)

- Reply to email enquiries - not answering email enquiries is like not answering the phone – you are turning away potential business!

Be Consistent With Your Messaging

Tourism operators spend a significant amount of time and resources developing their offline marketing plans, messaging, and tonality of every marketing piece to be made available to the public. It's crucial, therefore that your customers be presented with a consistent message and style across all customer touch-points. To be most effective, your company's website, online advertising creative, and messaging used in your copy should be consistent with your overall marketing plan. This goes for everything from the creative that is executed on your site, to your online ads, the copy used on your site, to messaging used on targeted landing pages. By aligning your online and offline marketing efforts, you will better achieve your overall business objectives. (See the design section illustrating integrated visuals).

Closing the Sale Online

Building a website doesn't mean that your business is going to automatically grow by leaps and bounds. In fact, you can have one of the greatest websites in the industry, but if the call to action isn't clearly presented to the user what's the point? For example, if you have a well designed website that truly communicates your value proposition to your target market, but doesn't provide your prospects with a call to action you're wasting your time. Ask for the sale! Your website should consistently ask users to take the next step. Don't simply promote a special offer on your website. Create urgency by stating that the offer is only valid for a limited amount of time and encourage users to take the next step in making a reservation by using a strong call to action.

Remember, even though we live in a world where making an online purchase 'seems' to be a common practice many users still prefer to 'window shop' online and take the next step in placing a reservation or purchasing a product through other means. It is for this reason that you should provide users with multiple means to communicate with your business at all times. Not everyone will want to make an online reservation or inquiry. How do you overcome this? Place your toll free phone number in the header on every page of the site. If you're a hotel operation or a bed and breakfast operator ask for the sale on every page of the website by stating "**Make a Reservation by Today! Phone 1.800.555.5555, or Click Here to Book Online**" or some variation of this call to action. This way the user is constantly reminded that they should take the next step.

It is also recommended that you use autoresponders as often as possible – particularly to communicate with prospects when they are placing an inquiry or making an online reservation. An autoresponder is a program located on a mail server that is set up to automatically sends a pre-programmed reply to the e-mail address that sent mail to it. The reply can be a single message or a series of pre-programmed messages. One of the major benefits of using an autoresponder is the immediate response—24 hours a day, 7 days a week, 365 days a year, providing immediate gratification for the recipient. If a user is placing an inquiry or making a reservation online use an autoresponder to let the customer know that you've received their inquiry and a staff member will be looking after them in a specified timeframe. The reality of small business is that someone is not always going to be there to reply to an email inquiry right away. At a minimum you should make a practice of responding to all inquiries within a minimum of a 24 hour period. If this is the case let the prospect know this in the autoresponder so you can set the expectation with the client and not leave them wondering if you received the inquiry or not. It's the little things that count and that can mean the difference between a simple inquiry or the converting an inquiry to a sale.

Building a Website vs. Buying Into a Website

There are a number of different ways in which a tourism operator can develop an online presence for their business. Ideally your organization should develop a unique website that communicates your unique experiences and value propositions to your target markets; however, this option is not always available as some operations are working with limited resources and just can't afford to build a stand-alone website.

This does not mean that the opportunity of doing business online is lost. Depending on what type of operation you are running there are options available to you. For example, if you are a Bed and Breakfast operator and you cannot afford to develop a website you could easily develop a quick online presence on BBCanada.com (www.bbcanada.com). Taking this route has its advantages and its disadvantages. On a positive note this approach does give you an online presence, a way to promote your property and you get to benefit from the marketing efforts of the third party (in this case BBCaanda.com). If you cannot afford to build your own website, channels such as these at least give you the ability to generate bookings through an online channel.

Using a third party website does have its disadvantages. One of the primary disadvantages is the fact that you are going to be limited as to what you can do to communicate your operation's experience online. Typically these websites follow a template approach where you can upload photos, a description of your operation, contact information, access to maps and directions to your property and sometimes even the ability to accept reservations online. Yes, this approach does give you a presence, but the reality is that your business is listed on a website with all other competing operations in your area that are using the third party site also. This means that if you take the time to send someone to your Web presence on the third party site, you run the risk that your potential client will also view your competitors' listing as well.

From a design point of view there is literally nothing you can do to differentiate your listing from another with the exception of stunning photography and great content. From a marketing point of view, a great deal of responsibility lies in the third party website to drive traffic to your site, which means you have less control over what you can do. That's not to say that the third party site (e.g. BBCanada.com) doesn't do a great job promoting their site to drive traffic to member listings – it's just a concern that is important to stress. If you choose to use a third party site, it is recommended that you inquire as to which online marketing channels they are using to drive traffic to their site and what level of exposure you should expect for your listing.

Ultimately, it will always be better to develop a unique online presence for your tourism operation if you have the resources available to build your site and market it online. Building a website on your own will provide you with the control to design an interface and navigational structure to communicate with your specific target market segments, position your brand and market your site independently using communication channels that are utilized by your target market.

Even if you have your own website that doesn't mean that you cannot benefit from also having a listing on a third party website (e.g. BBCanada.com). Using the third party site provides just another channel for you to generate online inquiries from and the listing will also help to boost your link popularity, which will assist in your site's search engine rankings. More details on this topic are provided later in this section.

Keeping Your Website Up-To-Date

A common problem that tourism operators have (and any business for that matter) is that they don't keep their websites up-to-date. Some don't update their website simply because they do not have a maintenance schedule outlining what needs to be updated and someone to follow through on it. Others simply don't update their website because they think they can't afford to. Yes, we've all heard the horror stories of the businesses that enter a relationship with a web developer who says that he/she has to make all of the updates to the website even though the client can't afford it.

The truth of the matter is that there are many tools available that enable tourism operators to manage content on their website internally without having any technical experience at all. Content updates, new specials, news items, new photos – these can all be managed using a simple content management tool that can be purchased for as little as $149.00 USD (2006).

Macromedia Contribute is a very popular content management tool that is both cost effective and easy to use. More details on this specific content management tool can be found at http://www.macromedia.com/software/contribute/. Another option is to actually have your Web developer build a database driven content management tool into the backend of your website, which will take a little bit more time to develop initially, but will save you a substantial amount of

money in the long run as you will not have to outsource website maintenance to a third party. Instead, these financial resources can be allocated to other online marketing channels such as a PPC (Pay-per-Click) campaign or email marketing program to generate more exposure for your tourism operation.

Understanding Your Website Visitors

Web Analytics, or website statistics to some, can tell you significant information about your target market. Some basic measurable components include:

- *Clickstream history (e.g. where people go when on your site and in what order.)*
- *Content preferences (what area of your site do people stay on the longest and interact with the most).*
- *User profiles (where the users come from, what site they were on previous to yours, what speed they connect to your site at, the browser settings they use, language preference, what time of day people visit your site, etc.).*
- *Conversion tracking (e.g. who is completing your desired task [i.e. reservation] while on your site).*

Measuring this information is vital to the success of any website as it can help point to marketing opportunities for you to pursue and areas to enhance on your site. For example, if you know a lot of your Website traffic is coming from a particular Website then you can approach this website for possible advertising placement to draw more traffic. Similarly, if you notice that many people who hit a particular page on your site tend to leave then you can address this problem and modify the page so that it us more appealing to your target market and increase the 'stickiness' (length of time people stay on your site) of your website.

Analysis of website log files can provide you with tremendous demographic information. Web Traffic Analysis software packages can not only identify which geographic area your website visitors are coming from (e.g. Country, State/Province, City), but also their preferred browser (e.g. Internet Explorer, Netscape), their platform (e.g. Windows, MacOS), the URL (*Website address*) that referred them to your site, what times visitors tend to access your site, and what they are doing/looking at while on your site. The collection and analysis of this data can assist your organization with profiling your different target market segments, and can even influence where your organization should direct its promotional efforts. For example, if you notice that 40% of your traffic is coming from the New England states, then you could consider purchasing advertising in an offline publication that is circulated throughout this area in an effort to generate more traffic to your website.

Remember, everything you are doing online is pointless, unless you are focused on objectives and measure results. Sure, exposure is great and maybe that's the primary focus of your campaign, but even if it is, you need to set the tools in place to measure the true effectiveness of your campaign. At the end of the day, all the traffic in the world means nothing if you are not converting prospects to buyers. You could have millions of unique visitors each month, but what is the quality of those visitors? If you are not launching effective campaigns that are talking to your target market, you could be generating the wrong type of exposure. Without the proper data collection and measurement tools in place, you will not be able to determine if you are converting visitors or not. Keep your objectives in mind, remember what you're promoting and always focus on your target market. The Internet provides you with one of the best communication mediums to channel your communications to specific target groups – take advantage of it.

The following is a list of 10 recognized Web analytics vendors:

- WebSideStory (http://www.websidestory.com/)
- CoreMetrics (http://www.coremetrics.com/)
- Urchin (http://www.urchin.com)
- Omniture (SiteCatalist) (http://www.omniture.com/)
- WebTrends (http://www.webtrends.com/)
- OneStat.com (http://www.onestat.com/)
- DeepMetrix (http://www.deepmetrix.com/)
- MyComputer.com (http://www.mycomputer.com/)
- IndexTools.com (http://www.indextools.com/)
- ClickTracks (http://www.clicktracks.com/)

All of the tools noted previously are valuable to monitoring the success of your online initiatives. Each offer their own approach to Web analytics, so it is up to you to review to determine what analytics make sense for your business and marketing objectives then select a tool that is compatible with your budget.

Working with the Right Team

A website is a marketing medium, but it is much more than just an online brochure for your organization– it must be interactive and engaging as well. A website is a strategic tool that is playing a critical role in the success of tourism operators across the globe.

There are specialists available in all areas of website development – if someone claims to be able to do it all, they're being dishonest. Nobody is the best at everything. The graphic designer is not going to be an ideal copywriter as well. The software or HTML developer is not going to make the ideal designer.

It is important to surround yourself with the right people. If budget wasn't an issue your project team for your website development initiative might consist of:

1. Project manager that has website and database application development experience.
2. Graphic designer(s) that specialize in web design. No, this is not the same person who does your brochures.
3. Database developer(s) with experience in Web applications.
4. Website developer(s) that has plenty of experience and doesn't even need to think about coding for different browsers, potential users and the search engines.
5. Copywriter with experience in writing for an online audience. There is a big difference in writing for print than writing for the Web.
6. Usability and marketing experts to guide the strategy for the website.
7. Third party application vendors such as a storefront solution provider or email marketing suppliers. These vendors focus on nothing but being the best in their field.
8. Your internal team of stakeholders who understand your business better than any outside individual ever could.
9. Your customers!

The goal of providing you with this information is not to teach you how to build a website, it is to educate you that a lot goes into preparing a great website and that it is worth the investment to hire professionals with experience. Sure, it will cost you more up front than your neighbour that dabbles in design as a hobby, but in the end, the results are going to be there. Working with the

right team will make you more money; save you money down the road and you'll certainly experience fewer headaches.

The reality of running a small to medium sized tourism operation is that the budget is not always available to work with a leading edge development company, or a specialized project team as outlined above. This doesn't mean that you should not overlook the qualifications of your project team or independent developer and settle for someone who is partially qualified to do the job.

How do you determine whether or not a developer is suitable for the job? Take the time to ask him/her the right questions. What process does the developer follow to make sure projects are completed on time and on budget? Does the developer understand how to design a website for use across multiple computer platforms (e.g. Windows, Mac OS) and Internet browsers (e.g. IE, FireFox, etc)? Does the developer understand basic principles of marketing and do they understand that your website is a marketing tool and not simply a piece of technology? Do they understand branding and the importance of communicating the brand experience through a strong creative interface? These are all questions that you should consider when selecting a developer to work on your website regardless of whether or not you are working with a large organization or a single person operation.

6.3 Your Internet Marketing Strategy

The proper execution of your Internet marketing strategy can mean the difference between online success and failure. To reiterate the points stressed earlier in this guide, if you don't take the foundation of your online activities into consideration – that being your objectives, target markets, and products/services – your online marketing efforts will not help you to achieve the results that you are looking for.

With all of the different ways there are to communicate with your target market it is amazing how many businesses are solely focused on using search engines to drive traffic to their site – and for good reason. Search engines are typically responsible for driving 60-80% of Website traffic. With that being said there are so many other channels available online that are often overlooked - particularly by small to medium sized tourism operations.

The first thing to understand is that there are several online marketing channels that require a monetary investment, while there are others that offer businesses a more cost effective way to promote their sites. The latter often require an investment of time rather than money; however, the results can be outstanding and are worth exploring.

Developing a Link Strategy

Amongst all of the different online marketing mediums that are available, incoming links are of the utmost importance.

Links have a staying power that other promotional efforts such as a newsgroup posting or mail list response do not have. For example, when you post a message to a newsgroup that includes your signature file with your URL, that message can be a great repeat traffic generator for 2 to 3 days, or maybe a week – as long as the message remains on the news server or as long as it takes for the posting to be buried among the new postings. As this happens, you will gradually witness a decrease in your website traffic as the readership for your newsgroup posting will become almost non-existent.

In contrast, the return for your efforts that you will see from generating incoming links to your website will differ significantly. When you generate an incoming link from a website, that link will be on that same site in the same spot for a long time - hopefully for as long as that particular site is still active. Visitors will return again and again to that particular website and will be exposed to that link. This is why links are so important. They can turn into real traffic generators for your site.

Another major benefit of links is that the number of links pointing towards your website and the amount of traffic your Website receives plays a key role in receiving high rankings in many of the major search engines. At the same time the quality of these links (i.e. whether or not the site pointing to yours is popular and considered relevant) also plays a key role in achieving higher search engine rankings. Google, Teoma, MSN Search and Yahoo! Search, are examples of search engines that factor link popularity into their ranking algorithms. Through implementing an extensive link strategy you can not only generate a significant amount of traffic to your website, but you can also boost your search engine rankings.

It is now becoming very common for tourism websites to include a "link to us" page on their site as a matter of best practice. The purpose of the Link to Us page is to encourage the target market to provide a link from their site to the tourism operator's website. Included in this content would be the exact HTML code and accompanying image that the user needs to make this happen. This approach lets the target market update their Website in minutes with a mere copy-paste and it allows the organization to control their brand/communication strategy external to the content that is available on their website.

Figure 11: Link to Us Page Found on SeeAmerica.org

An important link for Nova Scotia tourism operators is the Provincial tourism website, www.novascotia.com. The Nova Scotia Department of Tourism, Culture and Heritage has developed a reciprocal link program for tourism operators located within the province. All tourism operators listed in the Nova Scotia Doer's and Dreamer's Guide will automatically be included online in a searchable database. Tourism operators participating in the Doer's and Dreamer's Guide are automatically included on www.novascotia.com and partners are required to provide a reciprocal link back to www.novascotia.com from a primary entry page on their website. More information on the reciprocal link program and other on-line marketing opportunities the Department offers can be found on the Nova Scotia Tourism Partnership Council website at www.nstpc.com.

Organic and PPC (Pay Per Click) Search Engine Marketing

When Internet users are looking for a particular product, service, subject, or information pertaining to a travel destination, accommodation provider, etc., that is of interest to them, how do they do it? Over 96% of Internet users use search engines to find desired sites related to particular keywords or phrases on the Internet. A recent report by iProspect revealed that nearly 60% of Internet users abandon their searches after the first two pages of results. For these reasons it is very important for a Website to be designed to achieve high placement in the major search engines.

Because search engines can bring a significant volume of traffic to a site, one must understand how the major search engines work and how the design of a site can influence the indexing of the site by the search engines.

It is not unrealistic for search engines to drive between 60% and 80% of a website's traffic. In support of the improvement of search marketing, a recent study by *MarketingSherpa* determined that the average marketer using search ads and/or search engine optimization services spends an average of 36% of their total online advertising budget (15% of the total online/offline budget) on this important feature.

Organic search engine optimization refers to optimizing the components of your website to rank well in the organic search results that are returned in a search engine when a user conducts a keyword search. Organic search results are the 'non paid' listings (e.g. PPC) that appear solely because the website has been deemed editorially important and contains content and keywords that relate specifically to what the user is searching for. The most important areas on a webpage that you must address when performing organic search engine optimization are:

- Title Tags (Page Titles)
- Keywords Meta Tags
- Description Meta Tags
- Alt Tags
- Hypertext Links (e.g. Anchor Text)
- Domain Names and Filenames
- Body Text

Many search engines and directories either partner with or license the use of another search engine or directory's search technology. If you submit your site to a search engine that uses Google's index, then the design of your site influences how you're indexed in all search engines that rely on Google for their search results. For example, Google's results can be found on AOL, Netscape and even sites like CNN. Google's paid advertising results appear on many other sites as well.

PPC (Pay Per Click) search engine marketing is becoming as essential to online marketing campaigns as traditional organic search engine optimization. Tourism operators used to be able to simply optimize their website using traditional organic optimization techniques to place high in the major search engines and, in turn, generate exposure for their operation. This is still important; however, with more and more people competing for top placement it is becoming an increasingly more challenging task.

Many travel sites are leaning towards the PPC online advertising models to generate targeted exposure for specific sections of their websites. PPC models enable websites to sponsor specific keywords or phrases to have their search engine listings appear only when a user conducts a particular query using their engine. If the user clicked on a particular listing, the travel site would pay a nominal fee for the click, but would receive a targeted inquiry from a prospective client for the fee.

The key is that the lead is "targeted." Using traditional organic search engine optimization techniques can also generate targeted traffic to your website, but even the leading search engines often return results that are not exactly what the user desires. But what if your results only appeared when a user conducted a query using a targeted keyword relating to the product or service being promoted on your site? What if you could ensure that only people interested in visiting your destination or business are going to click on your search engine listing to learn more about what your tourism operation has to offer?

Over the years, some programs have proven successful while others have failed, but at the end of the day, three PPC programs are proving to be successful and are being adopted by most travel organizations. These programs include:

- Google AdWords
- Yahoo Search Marketing Solutions (formerly Overture)
- MSN adCenter

Figure 12 illustrates targeted PPC ads that are powered by the popular Google AdWords program.

Figure 12: Sponsored PPC Ads Generated By The Adwords PPC Advertising Model

Viral Marketing

Viral marketing is a low-cost, highly effective way to market a product, service or destination using the Internet. Just like a flu virus in humans, viral marketing replicates and propagates itself online. Viral marketing enables you to capitalize on referrals from an unbiased third party—the consumer. The power that peers and reference groups have over the purchasing decision is phenomenal. Similar to how a positive testimonial from a reliable source can add credibility to a product or service, the opinions of friends, business associates and family can also help influence a consumer's purchasing decision. By implementing various viral marketing techniques on a website, you are provided with a great opportunity to leverage the opinions of the consumers' reference groups.

You can use viral marketing techniques in a number of different ways throughout a website. By placing a "Tell a Friend About This Special" or "Share this Travel Package with a Friend" button on a site, you enable users to quickly and easily spread the word about the site or a specific offer/destination. Visitors can click on the button, provide appropriate information in the "To" and "From" fields (including name and e-mail address of both the recipient and the sender), and a brief personalized message. Although the message is personalized, a travel business can include additional information about their establishment or their offer, including key features, benefits, along with a link directly to the page where the recipient can make a reservation or purchase a tourism package. Since the message is personalized from a friend, the recipient will be more apt to visit the site to find out more about the product than he or she would be if the e-mail came from a traditional corporate e-mail campaign.

Today a large number of travel-oriented businesses are increasing traffic to their sites by offering virtual postcards on their website, which enables them to capitalize on viral marketing opportunities. Visitors can send virtual postcards to their family and friends. The postcard should not actually be sent as an attachment, but rather, an e-mail notice is sent saying that a postcard is waiting for them at a particular Web address. By clicking on the Web address, the recipient is sent to the Website to view the personalized postcard.

Permission-based Email Marketing

Permission marketing boils down to asking the target market and website visitors for their permission to send them something. Many businesses and advertisers compete for the attention of their target market on a daily basis, but it is very difficult to break through all of the advertising clutter. The key to permission marketing is to get your target market to willingly volunteer to participate in the process. In order to do this, the offer must be of value to your target market - you have to make it clear to the user by answering the question "What's in it for me?" If the target market sees no benefit in participating, then they will not participate - it's that simple.

What makes permission marketing so effective? It is not intrusive. The target market volunteered to receive the information because it is of interest to them and, as a result, they expect to receive it. This significantly increases the likelihood of the target market viewing the material and their being receptive to it. When implemented correctly, permission marketing can be a valuable asset in acquiring new customers and in maintaining relationships with existing ones.

You should leverage every opportunity possible to encourage users to sign-up to receive email promotions about your tourism business. Permission marketing techniques can be integrated with many Internet marketing tools and repeat traffic generators; including newsletters, surveys, contests and so on.

Newsletters are one of the most popular resources for permission marketing. You can ask visitors if they would like to receive notification of new travel packages, updates to the website, upcoming events in the area, and so on - whatever might be of interest to the target market. In the newsletter one can integrate strategic promotional opportunities to encourage users to come back to the site or to take some other course of action. When creating complex newsletters and emails, work with a provider or designer who understands the features your customers can accept in their in-boxes. For example, not all email systems can accept images.

A newsletter keeps you in front of your target market and constantly reminds them of your presence. Permission marketing opens the door for communication with your target market; this is an important step in building a long-lasting and profitable relationship with them.

Building your opt-in database should be one of your top priorities when developing your online marketing strategy. But how do you build your list? Well, first of all you need to determine what data you currently have that you can use. With today's privacy laws it's important to remember that you can't simply use your customer database to start launching opt-in campaigns. Just because people have provided you with their email address when they purchased a product from you doesn't mean that you can feel free to send them promotions at your convenience. This goes against the essence of opt-in marketing.

So how do you get permission to send email promotions to these individuals? Spend some time putting together an opt-in consent email message that you can distribute to your database of customers. The objective of this message is simple – let your customer know that you're interested in staying in touch with them. It's critical that you explain why you want to do so though. Let the user know what is in it for them to signup. This is how you build a qualified list of subscribers and a healthy database for opt-in marketing purposes. The key is "opt-in".

Following best practice standards, you should also send confirmation emails to any Website visitors who subscribe to your email newsletters to confirm that they actually want to receive the information that you are sending. This is called a double-opt in process and prevents others from signing up their friends or associates or even strangers for your newsletters without them knowing it. A confirmation newsletter is a simple message that says "you've requested to join our newsletter and we want to confirm that this is your email address and you really want to receive this information – click this link to confirm". Not only do you ensure that the contact really wants to receive your information, but you also get to ensure that the address the user provided you is correct and valid. Sending confirmation emails to your list of subscribers also affords you the opportunity to stress to the user that you will not misuse or sell their information to third parties, which makes your target market more comfortable with your organization as a whole.

Every campaign you send to your database of subscribers should also provide users with the ability to opt-out from receiving future promotions. Simply include a link in the footer of each campaign that reads "Unsubscribe" or "Stop Future Promotions". Once selected, users should either be automatically removed from your database or prompted to send an email to the list manager requesting to be removed. Including the unsubscribe option in each of your campaigns is critical as it follows best practices and abides by all privacy laws that are in place – make sure you do it!

Content Site Advertising

All tourism operators regardless of size, budget, etc. share the same objective with their Internet marketing strategy, which is to bring interested people from their target markets to their website. Thus, advertising on appropriate content sites can prove to be effective. Portals and content sites

are those that concentrate on a specific topic (e.g. destinations portals, resorts and accommodations, bed and breakfast directories, etc.) Often large content websites will present sponsorship opportunities where you pay to be the sponsor of a particular piece of content or section of the website such as a newsletter, chat session, event, blog, discussion board, or e-zine (electronic magazines).

Online Advertising

Tourism operators are now witnessing a shift in the allocation of their annual advertising budget from conventional marketing to online – integrated marketing campaigns are commonplace. For years, many organizations simply allocated a very small fraction of their annual budget to electronic mediums. Strategic online advertising (e.g. banner advertising and content sponsorship on websites, etc.) campaigns are now being designed to help meet the online marketing objectives of many tourism related sites. Integrated campaigns use more traditional marketing methods such as print or TV to drive traffic to websites

An effective online advertising campaign is comprised of multiple elements, including the quality of the ads you use, the creative strategy behind the ads, your online marketing budget and ultimately, where you place the ads on the Internet. Possible advertising locations can be found among link sites, email publications, search engines, content sites, and meta-indexes that are specific to your target audience. Meta-Indexes are lists of Internet resources pertaining to a specific subject category and are intended to be useful resources for people who have a specific interest in the particular topic. As with any form of marketing strategy, it is vital to keep your advertising objectives, your offerings and your target market in mind when you develop your online advertising campaign. Online ad placement is effective for generating qualified traffic to your website and for brand exposure.

Often large content websites and travel portals will present sponsorship opportunities where a company can pay to be the sponsor of a particular piece of content or section of the website. Common website components that are available for sponsorship include:

- A newsletter
- A chat session
- An event
- A blog
- A discussion board, or
- An e-zine.

Online sponsorship opportunities are becoming more and more common in the travel industry because it provides travel websites with a means of extending their reach and communicating directly with their core audience.

Advertising space is available on the provincial tourism website, www.novascotia.com, which saw over 2 million people logged on in 2005. Several different types of partnerships are available. For information, check online at www.novascotia.com/advertising.

Podcasting

Podcasting is basically a method of syndicating audio or video files over the Internet for users to listen to and/or watch on a mobile device or on a personal computer. This form of Internet marketing became popular in late 2004. The term podcast is a combination of the word

'broadcast' and "iPod" – the popular portable audio/visual device that became the 'must have' item in 2004. Today many tourism operations, whether it be a hotel, DMO, or tour operator, etc. are enabling users to download podcasts from their websites or through an RSS feed.

So how do tourism operators use podcasts to promote their business? Let's assume you are a hotel operator or a bed and breakfast operator. Podcasts, whether they be straight audio or a combination of audio and video can be used to highlight what is happening in your region that your target market should be aware of, what's happening with your organization (e.g. special promotions, etc.) or any other newsworthy item that will encourage the user to want to stay with or visit your property. Just like email marketing, podcasting is just another way to communicate with your target market on an ongoing basis, but this time your message can be communicated through the use of audio and visual.

Mail List Marketing

Internet mailing lists are quick and easy way for operators to distribute information to a large number of people interested in a particular topic. There are thousands of publicly available lists on virtually any topic. The easiest way to find them is by performing research using a mailing list directory such as Topica (http://lists.topica.com/).

Online Publications (e-zines)

Online publications or e-zines are online versions of magazines. Just like magazines they contain information regarding a certain topic in the form of articles and features. Some e-zines are web based while others are email based. Most offline magazines also provide an online version as well. There are other web based e-zines that only have an online presence. Most web-based e-zines tend to be as graphically appealing as offline magazines. Online publications are great marketing tools and can be used in a number of different ways to increase targeted traffic to your website. As a tourism operator you can:

- Advertise directly
- Be a sponsor
- Submit articles
- Send press releases

Newsgroup Marketing

Millions of people read newsgroups - making newsgroups an ideal marketing vehicle. Newsgroups give you the ability to interact directly with your target market by being able to read the messages they post and by being able to post messages in response that address their needs. This can add to your tourism operation's publicity if you select appropriate newsgroups and post messages properly.

Webrings

Webrings provide a different way to organize sites, and are a free service offered to the Internet Community. Webrings arrange sites with similar content by linking them together in a circle, or a ring. Each link in the ring is directed to a script on the Webring's server, which sends the viewer on to the next site in the ring. There are literally thousands of rings available on a variety of travel related topics. The majority of Webrings sites are personal pages but commercial pages are starting to grow. Commercial web pages make up 5-10% of the sites at Webring.org. The

applications for using Webrings to promote any site are real. The types of visitors you will receive from participating in a Webring will be clients and potential customers of businesses within your geographic region who are responsive to the content of your site.

Landing Pages

When you're conducting any type of online campaign, whether it be a banner ad, newsletter promotion, or PPC campaign, you want to maximize the results of your effort. When done properly, creating a landing page for an ad can greatly increase conversions, or the number of customers who act on your offer.

A landing page is a webpage created for the specific purpose of driving the target market towards some intended action based on the offer presented in an online advertisement (e.g. banner ad, newsletter article). For example, you might want your target market to come to your website and request a brochure, sign-up to your newsletter, inquire about a special package or promotion, or enter a contest, which is tied to another primary offer as an incentive.

Landing pages are the foundation for any online marketing initiative – their purpose is to minimize distractions and focus the target market on accomplishing the goal presented in the original advertisement. When you promote an offer online, whether it be a banner ad, newsletter promotion, or pay-to-play campaign, you want to maximize the results of your effort. When done properly, creating a landing page for an ad can greatly increase conversions, the part of your target market that acts on your offer.

The way your landing page is designed depends entirely on your online marketing objectives, your target market as well as your offer itself. The landing page should only focus on the offer that you are promoting – keep it focused. A landing page should be created for every online marketing endeavour you take part in where you want the target market to take a specific action. For example, if you are a bed and breakfast operator that offers a specific type of vacation package in a particular region of the province, you could develop a landing page that specifically promotes your vacation packages – not your overall business and its amenities, etc. If a user is conducting a keyword search related to your packages, sees your PPC ad and clicks on your ad it is evident that they are interested in your vacation package. This is where you present your offer in a focussed environment without the clutter of everything else that your property has to offer. By eliminating the clutter you increase the likelihood that your target market will inquire about your offering.

Figure 13 illustrates a sample landing page that is being used by a Nova Scotia tourism operation to promote a special offer. Users are directed to this landing page from various online marketing channels, but when reviewing this page one thing is clear – the offer. The offer is presented immediately, as is the call to action to inquire about the offer using the prospect's preferred form of communication (e.g. email or telephone). If the user is not interested in the offer they still have the ability to visit the operations website to learn more about what they have to offer by simply clicking a link. This approach differs significantly from simply sending a user to your website where they can view the offer amongst everything else that is available on your website. The landing page is focused on one objective – conversion, for a special offer or product.

Figure 13: Sample Landing Page

White Point Vacation Club Promotions - Microsoft Internet Explorer
Nova Scotia
Mini Vacation
Getaway from
$199*
per couple, plus taxes
2 nights at White Point Beach Resort including dinner and breakfast each day for two persons, taxes, and gratuities additional.
White Point Beach
Vacation Club
Imagine a place where the days belong to you. You can fill them up with walks on the sandy beach or swims in the saltwater pool. Learn something new - maybe take in a wine tasting or a cooking class or even a little yoga. You can indulge in a massage that will leave you so relaxed that a fireside nap becomes a priority. In this place, cedar planked salmon and generous slices of homemade cheesecake are dietary staples. Imagine winding down your perfect day with your favourite people all around you, a glass of wine in hand, the warmth of a crackling fire and a view of the crashing winter surf before you. Now stop imagining and make your dream a reality.
Inquire Online or
Call Us at 1.866.869.2585
See if you qualify today!
Complete the form below
First Name
Last Name
Email Address
Phone Number
Yes, I qualify for this promotion.
Place Your Inquiry Now
Please view our privacy policy.
Learn more about White Point Vacation Club Now!
Done
Internet

Landing pages can be created internally using your web developer or content management system.

Depending on your online marketing objectives, it might be necessary to have landing pages that speak to different market segments – demographic, geographic, and psychographic. For example, if you are looking to attract international travelers then language and cultural considerations come into play. The English page that worked for your market in the U.S.A. will not work for your market in Germany. You need to tailor your landing pages to speak directly to your target market segments.

6.4 Embracing the Medium

In the beginning so many businesses were hesitant to take the first step and develop a Web presence. Eventually they were more or less forced to because, as we know, having a Website became an essential component of any tourism operations communication strategy. Now, we are seeing a trend in those businesses that were hesitant, to actually take the next step and actively promote their business online.

Remember, it's those businesses that truly embrace what it is that the Internet has to offer that will succeed online. It's those tourism operations that understand that the Internet is going to play a key role in the future of business and are willing to take the time and invest the resources into the medium in an effort to succeed online.

Embrace the medium! Experiment with different online communication channels and gauge the best avenues for you to reach your target market online. If your campaigns are not successful, don't let it discourage you – keep trying, and follow the proper planning procedures as outlined in this manual to generate the exposure – and more importantly, the conversions you're looking for.

Developing Your Maintenance Schedule

Every business should create an implementation and maintenance schedule for your website, tailored for the marketing tools that you choose to use. This should be done to accomplish the best results from your Internet marketing strategy. Maintaining a proper maintenance schedule will help you to stay focused, keep organized and help you to remember that your online marketing strategy isn't just about one specific activity – it's multifaceted.

Figure 14 provides an example of a maintenance schedule, which should be used to assist creation of your schedule. Remember, the activities outlined in this schedule are a sample and do not necessarily represent those activities that should be implemented by your tourism business.

Stay On Top of the Competition and the Industry

Staying on top of what the competition is up to plays a key role in the success of any business – both online and offline. It's critical that you watch what your competition is doing online at all times. Conducting a thorough competitive analysis isn't something that you do solely during the planning stages for your website; it's a process that should become a staple part of what you do on an ongoing basis. Mark off time in your calendar to regularly review your competition's websites. What type of promotional techniques are they using? How are they keeping their brand in the eyes of their target market? Are they changing how they communicate their experience of their tourism operation to their target market? These are all things that you should constantly monitor, both in an online and offline environment.

You should also make sure you stay up to date on the latest tourism industry news, case studies, and industry reports. Reviewing case studies that highlight the successes and failures that other tourism operations have had with implementing different online marketing campaigns is a great way to get insight as to how you can improve your campaign efforts and maximize enquiry conversions into sales. It will also help you to identify the pitfalls you should avoid. Again, it just takes the time and the discipline to stay up on your research. Make it a part of your daily/weekly routine!

Figure 14: Sample Maintenance Schedule

Check:	*Weekly*	*Bi-Weekly*	*Monthly*	*Bi-Monthly*	*Quarterly*	*Yearly*
Domain Name						
Search Engine and Directory Submissions						
Press Releases						
Online Ad Placement (e.g. Banner Advertising)						
Update/ Rename Titles (if necessary)						
Check Competitors and Industry Leaders						
Permission Marketing (Newsletter)						
Newsgroups						
Public Mail List Postings						
Signature Files						
Links						
Specials and Packages						
Feature Recipe						
Online Publications / Magazines						
Viral Marketing						
Offline Promotion						
Site Tune-ups						
Web Browser Testing						

Budgeting

The reality of business is that some companies are working with much smaller budgets than others, but the truth of the matter is that you can find a way to stretch your budget if you spend your dollars wisely and ensure the process you're following when developing your website and implementing your campaigns is strategic. If you do it the right way, you'll see the conversions you're looking for. Just take the time to do it right – don't rush the process.

Too often tourism marketers face the internal struggle of justifying why their organization should allocate a specific budget to online marketing. Again, consider the statistics. In 2005, online ad spending in the USA alone surpassed $12.9 billion, according to eMarketer; a sure sign that more and more companies are turning to the Web to help grow their business. Even more impressive is the fact that, by 2009 companies will spend nearly $10 billion more on online advertising, reaching $22.3 billion.

As stressed earlier in this section, more and more businesses are moving resources from their traditional offline advertising budgets to online communication channels. What is the right number to budget? There is no answer to that question, as every business is different. Instead, take a step back, look at your budget and prioritize which channels, or advertising options will give you the greater return on investment. The bottom line is that if you implement a strong strategy using effective communication channels you will see a return on your investment. The key is to take your time, think things through and spend smart marketing dollars that will put the right message in front of your target market. The medium works – make it work for you.

Since Internet search is such a huge traffic driver for businesses in any industry, it would not make too much sense to avoid this route to the market. A strong search engine optimization and a targeted PPC ad campaign might be the only thing you can allocate financial resources to if you are working with a small budget. This doesn't mean you can't participate in other online channels that will drive exposure for your offerings at no investment other than your time, such as your link strategy, mail list marketing, etc. The key is to spend your dollars wisely, based on your strategic objectives and what is going to drive conversions of enquiries to sales for your business.

SECTION 7

Advertising and Promotion

SECTION 7

ADVERTISING AND PROMOTION

7.1 Introduction

This section focuses on traditional advertising techniques and will address key issues, like designing ads and selecting advertising media.

Advertising is the way you promote your business to potential customers, using various communications media in addition to your website and the Internet, such as newspapers and magazines, radio, television and direct mail.

Many tourism operators question whether traditional paid advertising is cost-effective. Since it is hard to match advertising effort with its direct impact on the volume of business, they often suspect that advertising may be largely a waste of time and money. What's more, this suspicion can easily turn into hard conviction when a particular advertising program is stopped and there is no immediate or noticeable decline in business.

Needless to say, poorly designed ads and badly planned media selection can readily result in a waste of money. However, the fact is that good advertising does work. Indeed, it usually plays a crucial role in building awareness and competitiveness for your business, thereby sustaining and growing business volumes over time. The trouble is that the benefits of advertising, even effective ads well placed in the right media, tend to be long-term and cumulative and the short-term gains often negligible. As a result, a few "one-time" advertisements placed here and there probably will have little or no effect. But a well-planned, well-directed advertising program, sustained on a consistent basis over a period of time, will almost always increase volumes. The key is to increase sales by more than enough to justify the expense of the advertising. In this regard, tracking and measuring the effectiveness of your advertising is vital.

Advertising of tourism products is effective in countering the following tourism industry marketplace characteristics, all of which make marketing difficult:

- Customer loyalty is usually low
- Consumer demand is often unstable, seasonal and sensitive to price and general economic conditions
- Customers usually have to buy sight unseen – they have to buy the product to try it
- Their decisions are based on irrational as well as rational factors, and
- Most tourism products are subject to intense competition

Because of these industry characteristics, advertising (and other promotional techniques) can play a major role in shaping buying decisions.

Your advertising approach will differ depending on whether you are targeting your audience before they leave home, when they are en route or in the province, or when they are already in your local area. This will have to do a lot with what kind of business you are. We suggest you review the discussion in Section 1 under "Demand Generators, Demand Supporters and Traveller Services."

Generally speaking, if you are a demand generator, it is best to communicate with the consumer 'at home', as well as when they are in the province and in your area. If you are a demand supporter or a traveller service, it is often more effective to reach the consumer "in-market" – both while they are in Nova Scotia as well as when they are in the local/regional area.

7.2 The Advertising Plan

To make sure your advertising is going to be effective, you need to draw up an advertising plan. Such a plan should be based on your overall marketing plan, so it should be prepared after your prices, packages, programs, channels of distribution and so on have been determined.

The steps involved in preparing an advertising plan are:

Step 1: Review Target Markets
Identify the target markets that can be reached through advertising, and review the reasons why customers in those markets would buy your facilities or services.

Step 2: Identify Advertising Objectives
Determine what you want to accomplish with your advertising. For example, are you trying to introduce your product to a new audience, get past customers to return, or perhaps feature a special offering? The objective will influence the advertising plan.

Step 3: Review Distribution Methods
Review the distribution methods that can be used to get your product to your target market – or, if you prefer, to bring your target market to your product. There is little point in advertising something that cannot be readily purchased.

Step 4: Examine Advertising Alternatives
Examine the types of advertising media available to you and their costs. Learn the advantages and disadvantages of each one, and judge which of them are likely to be the best in helping you meet your advertising objectives. (The pros and cons of the various media are discussed later in this section.)

Step 5: Develop an Advertising Budget
Base your budget on your advertising objectives and on what you can reasonably afford. Do not base your budget on what your competitors are spending, on industry averages, or on the recommendations of a media advertising salesperson. Advertising budgets tied to specific objectives are the most effective.

Step 6: Select the Media You Will Use
Once your budget has been set, you will be in a position to select the specific media that you will use. We will discuss this subject more fully in a moment.

Some other points about your advertising plan should be mentioned here. First of all, a well-developed plan should recognize and reflect the strengths of your business in relation to the needs and demand of the target market involved – that is, it should play up your unique selling points, or USPs. It should also endeavour to differentiate your business from your competitors. And it should reinforce your market positioning.

In addition, all components of the plan must complement one another. There should be no conflict between what your advertising says about your business and the way your customers perceive it; in other words it should represent your offering in an honest fashion.

Finally, your advertising plan must be flexible to a degree, so that you can adapt when new marketing opportunities arise, or if you have to meet unexpected competitive challenges.

7.3 Designing Good Advertising

Here we introduce the key principles and approaches to designing good advertisements.

The Advertising Message

As we've mentioned earlier, people don't buy products, they buy *Benefits*!

The key to good advertising is presenting the benefits you have to offer to the market segment you have identified and communicating them clearly. In general terms, the tourism industry offers experiences and services to customers. Therefore, identify and feature the unique experiences and/or services your product offers and what benefits they can satisfy with your identified target markets.

Benefits can also be categorized as functional and emotional. The functional benefit of a hotel room is its location or proximity to the area a visitor is travelling in. The emotional benefit is the ocean view or the uniquely decorated rooms that portray the heritage of Nova Scotia or that particular region.

Approaching your marketing planning in this way is being truly "market driven" or "customer oriented." You are thinking in terms of what your customers' needs and wants are, and speaking to them with your message focusing on the benefits you have to offer.

Designing Effective Advertisements

If you are going to be designing your own advertisements, then you will need to consider the following:

- Your target market – who you want to speak to
- Your advertising objectives – what you want to accomplish
- The principal appeals and features of the products or services to be promoted – the benefits to the customer – the reasons your customers are likely to buy
- The specific information to be presented
- The images and impressions you wish to create
- Any corporate image that must be endorsed
- The creative form your advertisements will take
- The production specifications
- The methods you will use to assess the effectiveness of your advertisements.

Common Types of Advertising Messages

- "Two-sided" messages – comparisons with alternatives (like "Why stay downtown when the best deals are in the suburbs?") These are effective with frequent travellers and customers of your competitors;
- Fear appeals (for example, "Don't freeze this winter");
- Pleasant distractions ("Escape all your cares and worries");
- Pleasant memories ("Remember your wedding day?");
- Audience involvement ("Join us this spring");
- Emotional appeals ("Feel like a king"). Appeals to emotions are usually much more powerful than appeals to reason;
- Humour (but only if it is appropriate for your facility or service);
- Beauty (the creation of mental images through music, scenery, and so on);
- Motherhood appeals;
- Snob appeal;
- Sensual imagery.

A good marketing or advertising message should do the following:

- *Make a promise* (Tell the reader what's in it for them)
- *Be brief* (Time is against you. Make your point short and sweet. Research has indicated that readers will make a judgement about whether they are interested in 4 seconds or less)
- *Be different* (People assume beds are comfortable, people in the tourist business are friendly, the food in your restaurant is good. What makes you different? Or better?)
- *Be believable* (People are sceptics: make sure your promise is believable and supportable once they experience your product)
- *Stand the test of time* (If it's relevant and truly a benefit to your customer, it should hold true for a long time)

As for the message your advertisements will convey, it can be any one (or a mix) of a long list of alternatives. The list in the box describes the ones that are most commonly used.

Your advertising should focus on your unique selling propositions, and it should give your target markets a compelling reason to buy. It should also follow the KISS principle (Keep It Simple, Simple).

And it should follow the AIDA formula (attract Attention, generate Interest, kindle Desire, and present a call to Action). Exhibit 12 illustrates the AIDA formula.

Designing Print Ads

Good print advertisements have plenty of "white space"– 'less is usually more' in advertising – and many of them use photographs and other illustrations for extra impact.

Exhibit 12
AIDA Formula

1. **Capture ATTENTION – The brand logo, headline and/or a dramatic photo**
   These are the "attention grabbers" – used to attract the reader's attention and then pique their curiosity enough to read further. The headline is usually in bold type or in some other distinctive display; it also encourages customers to read on for more information. A photo, if used, should be dramatic, appealing and exciting.

2. **Generate INTEREST – The brand positioning statement, sub-heading and/or initial text**
   These move the reader from curiosity to real interest, encouraging them to read the main body copy to follow. The sub-heading or lead-in text appears in smaller type than the headline, and gives a fuller message. This part of the ad should follow the attention grabber.

3. **Develop a DESIRE for the product or experience – The body copy, additional photos**
   This is the written material in the main portion of the advertisement; it provides more information on the product and its compelling features. It is trying to move the reader from the interest stage to a desire for the product, or at least to a level of interest to prompt them to inquire for more information.

4. **Issue a Call to ACTION – The final copy**
   Finally, the ad needs to have a "call to action" to prompt the reader to visit the website, call to find out more, or to buy. This part of the ad invites the reader to respond and gives instructions on how to do so. It includes appropriate names, website URL, mail addresses, telephone numbers and email address. A map providing directions would also be helpful.

Other points to note about developing effective print advertisements are:

- A simple, consistent type style is more effective than either an ornate one or a mix of several kinds.
- A small advertisement may get lost in a newspaper's entertainment section, but it should work well in a resort or vacations section, or in a classified section or listing.
- You should give some thought to the size and shape of your advertisement, bearing in mind where it will appear on the printed page. You want to make sure it will get noticed.
- Illustrations or photos should be placed near the top of the advertisement.
- The larger the illustration or photo, the more effective the advertisement. Also, a single illustration/photo usually has more impact than several together.
- A photograph has more credibility than a drawing.
- Action shots generate interest and excitement.
- Photographs should feature people in action, enjoying your product.
- Headlines should be designed to catch the attention of your target market.
- Testimonials from satisfied customers can be very effective in adding to the credibility of your message.
- Your corporate identity or logo should be clearly displayed.

A sample of a good ad is illustrated on the next page. This might be suitable for a travel guide or a magazine.

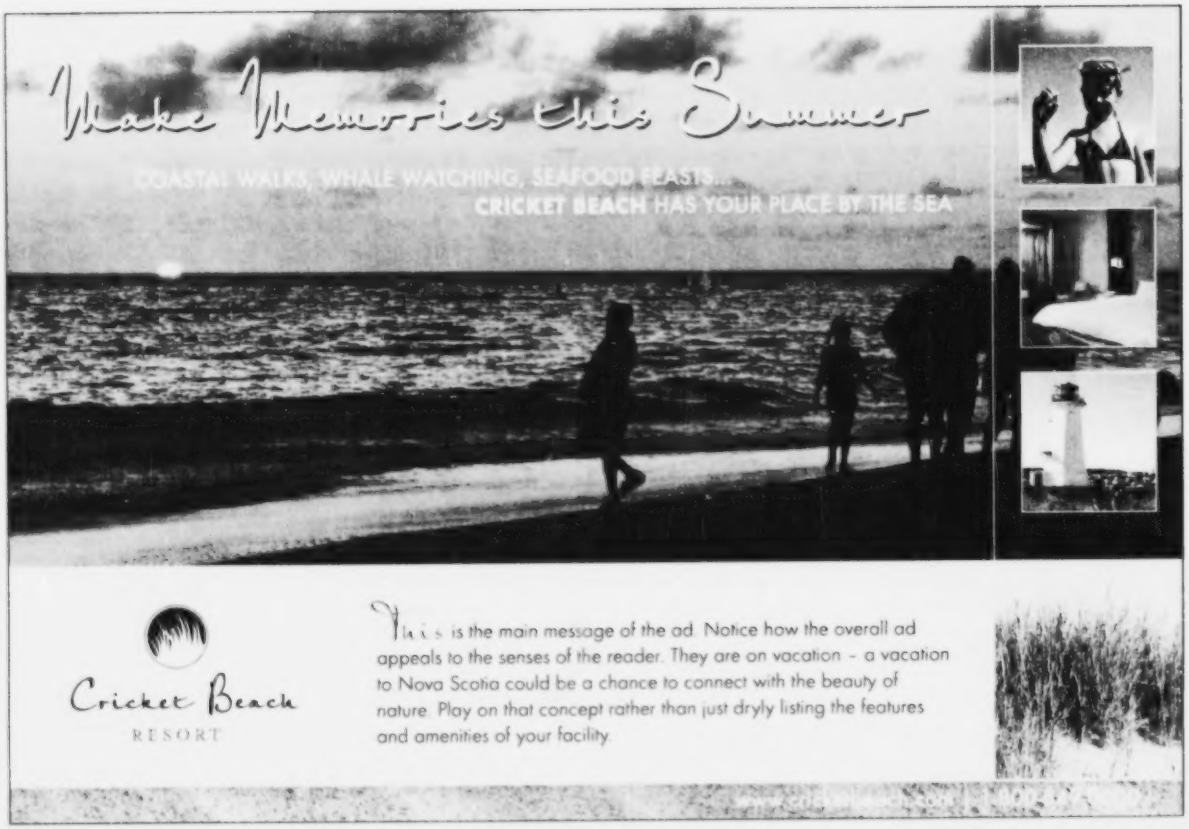
The How To's of Designing Ads for Print Media

The section provides some more particulars on the how-to's of designing ads for print media, including newspapers, magazines, and the Doers' and Dreamers' Guide.

Developing Your Print Ad

The following suggestions apply to print advertising in general, whether in travel guides, mass media or niche publications:

- Contact the publication and request specifications for advertisements. This will tell you rate (cost), size, colours available, and in what format you should send the ad to them.
- Some media will offer to lay out your ad for you. Get them to do a mock up and email or fax it to you before giving the go-ahead. You don't have to accept it until it's satisfactory.
- When dealing with travel guide publications, especially the smaller ones, in most cases it is best to give them final artwork and not leave the design to them. Typically they are not designers and you may not get as effective an ad.


Make Memories this Summer
COASTAL WALKS, WHALE WATCHING, SEAFOOD FEASTS...
CRICKET BEACH HAS YOUR PLACE BY THE SEA
Cricket Beach
RESORT
This is the main message of the ad. Notice how the overall ad appeals to the senses of the reader. They are on vacation - a vacation to Nova Scotia could be a chance to connect with the beauty of nature. Play on that concept rather than just dryly listing the features and amenities of your facility.

- Ask where your ad will be placed. If there is editorial copy in the publication that complements your message, such as an article on your community, the ad should be placed close by to create a stronger impact.

- You may want to consider getting a professional from an ad agency, a printing house or a media company to help you design a strong ad.

Tips for Designing Effective Ads

- Follow the AIDA formula – always.

- Don't put more in the ad than you have to, to make it effective. Don't be tempted by the compulsion to squeeze in as much information as possible. All that does is weaken the ad. In this case – *less is more!* That's because the fewer words there are, the greater the attention that is given to those that *are* there.

- This also applies to photos and graphics.

- Use "white space" (blank space) effectively. Empty space around a statement draws attention to it. (The extreme example is the blank newspaper page with only a few words in the middle. It's virtually impossible to avoid reading those words).

- Don't mix too many type styles or colours. This confuses the eye. Preferably, stick to one or two styles and vary the font size and/or use italics for effect.

- Black text on a white background is the most dramatic and the most effective. Use colours sparingly, and try to avoid putting colour on top of colour. Don't try to be cute, or an artist. Just focus on communicating simply and well.

- If you are using colour in the text, overall, dark on light works best. Other effective options include black on yellow, green on white, red on white, blue on white, and red on yellow.

- Above all - KISS! (Keep it Simple, Simple!)

Using Photography

Photography can help you make an emotional connection with your target market, and thereby increase the impact of your message. It is definitely true in advertising that "a picture is worth a thousand words". Some suggestions:

- Choose your images carefully. Ideally you should have one that communicates your main message – the compelling appeals and benefits of your offering for the target audience.

- Use an image that highlights the most important product features – and keep it simple.

- If a photo is to be used to dramatic effect, ideally, don't overprint text on top of it if you can avoid doing so. This takes away from the impact of the photo. And if you really want to do this because of space limitations, which will arise with small ads, then put on only a limited amount of text and place it on a part of the photo where it stands out clearly, is easy to read and doesn't weaken the effect of the image (on the sky or the water, for example).

- The same applies to putting photos on top of photos. This is a widely used technique, but it is not a preferred one. It only weakens their effectiveness.

- One or two photos have more impact than multiple photos. Use only a single photo for the attention grabber. Several are OK in the main body where you are providing more details.

- Preferably, use professional photography. Experienced photographers supply well-crafted images that conform to exacting technical specifications. Use of their photos will convey the message that your company has a high standard and pays attention to detail. Poor quality, do-it-yourself photos don't reproduce well and can often do more damage than good to the effectiveness of the ad.

- If you must use your own photography, make sure that you provide the highest quality originals and scans. When saving digital photos or scanning images, use TIFF or EPS file formats for the best print quality. Photos should be 300 dpi at their final size in the layout. If you don't know how big you will make the photo in your final ad, it is better to create it at the highest resolution. You can always reduce the image but you cannot enlarge it.

- Preferably, if your photo is of your business, use images that include people using/enjoying it. Pictures of empty rooms and building exteriors are not very effective.

- Tourism benefits are primarily experiential; therefore the benefits illustrated in the images should focus on this.

- The people in the photo should be in the same demographic as your target market – readers need to be able to see themselves in the setting.

Headlines

Next to photographs, headlines are probably the most important element to getting your ad noticed. Here are some suggestions:

- The headline has one job; and one job only – ATTRACTING ATTENTION! Unless this works, the ad is likely to be ignored. And by the way, it's your target audience whose attention you want to attract, so the headline message should be meaningful to them.

- It needs to be dramatic, unique, unusual – and simple at the same time.

- Ideally your headline should be 7 words or less – the shorter your headline the greater the chances of having it read. If it's longer than 10 words, sub-headings should be considered for the additional words.

- Following the headline, your next text should briefly feature the strongest benefits your product offers. Benefits can be both emotional and functional.

- To keep the reader's attention, keep both your sentences and your paragraphs short - the longer they are, the less likely people are to read through them.

- Keep it Simple – words should be short and simple, ones used everyday. Sentences should also be short and direct.

- Finish with a strong "Call to Action" - use terms such as - "call today", "write us", "come this year", "make sure you visit....", "experience ...", "discover...", "enjoy...", "find...", "go to...", "imagine...", "join...", "try...".

- Testimonials or endorsements can provide added credibility.

Use of Colour vs. Black and White Only

While colour is usually more expensive than black and white, it also has many benefits:

- A colour ad is more often noticed and more often read.

- Colour communicates your message more effectively (the positive experience of your travel product will be enhanced with a colour photo).

- It allows you to create a different look and to stand apart from your competition. If you have a brand or logo, you will be able to reinforce that image through colour, making your ad more memorable.

- Colour can help you highlight certain aspects of your message.

When deciding whether to spend more money on a colour ad or economize with a black and white one, determine whether the other ads in the publication are mostly colour or black and white. If they are mostly colour you need to question whether a black and white ad will be effective at all. And if they are mostly black and white, is it worth the extra cost to have the ad stand out or can it do so anyway?

7.4 Media

Now let's look at the strengths and weaknesses of the available media that can be used effectively for travel and tourism related advertising. We will only review the main ones, as follows:

- Print Media
- Broadcast Media
- Outdoor Advertising
- Direct Marketing

7.5 Print Media

The main print media are newspapers, magazines, travel guides, travel trade publications and yellow pages.

When you advertise in print, you can present a considerable amount of information. In addition, your prospective customers can control the time they spend reading your message.

Also, print advertisements can include coupons and other response mechanisms. And they allow you great flexibility in terms of the kind of information you provide. For example, you can feature illustrations, reproduce menus or itemize the details of a package.

The pros and cons of each type of media are discussed below.

Newspapers

Advantages

- Newspapers traditionally have reached more people than any other printed medium; many homes receive or buy at least one daily newspaper.

- Newspapers also have a high geographic concentration; this helps when you are aiming at geographically defined target markets.

- Studies have shown that consumers consider newspapers to be a good source of information on travel facilities and services. Many newspapers have travel sections, classified sections for resorts, restaurant listing and guides, "what to do" features, travel articles and other special travel inserts. Customers often seek out these sections, and use them as shopping guides.

- Newspaper advertisements can be placed on short notice, so they are a good way of promoting last-minute "specials."

- Newspapers are carriers of up-to-date news; this gives them a sense of urgency, which can be carried over to the ads they contain.

- Newspapers are relatively low in cost.

Disadvantages

- Newspapers have a large readership, but only a small number of readers will likely have an interest in any one tourism product. This means that if you advertise in a newspaper, you will be paying for circulation that is of no value to you.

- Most newspapers have a short lifespan (usually one day). They are also often read in a hurry, so your advertisements may well be overlooked.

- The quality of reproduction is generally poor, especially when photographs are used in small advertisements. Colour reproduction, if available at all, may be of even lower quality.

- Page size is large and small advertisements can easily be lost.

Magazines

Advantages

- Magazines usually have more selective readerships than newspapers. There are also many special interest magazines that are highly targeted. They are therefore effective if you want to reach a specific audience group.

- Magazines have a much longer lifespan than newspapers. They tend to be kept around the home or office. Also, they are often passed on to others. As a result, your advertisement is more likely to be seen and studied.

- Magazines have a much higher reproduction quality than do newspapers, particularly for colour.

Disadvantages

- Magazines have long "lead time" – that is, you have to place an advertisement well in advance of the time it appears in print.

- Magazine circulations are seldom tailored to specific geographic markets. Even magazines with regional editions are usually unable to hit a geographically targeted market (for example, a city, or part of a city) without spilling over into untargeted areas.

- The cost of magazine advertising is relatively high, especially when compared to newspaper advertising.

Travel Guides

Advantages

- Travel Guides – these include the provincial Doers' and Dreamers' Guide, regional tourism guides prepared by the regional travel associations and other guides such as campground directories, restaurant guides, accommodation guides, etc. They are usually aimed at specific markets or cover specific geographic areas. As a result, they are highly targeted, so while readership may be relatively low, it will also be of high "quality".

- Listings in travel guides can sometimes be free.

Disadvantages

- Travel guides normally have long lead times. Prices, facilities or services may change even before the guides are published. For example, the deadline for listing in the Doers' and Dreamers' Guide is the end of July for the next year's guide (it is usually printed early in the New Year).

Nova Scotia's Complete Guide for Doers' and Dreamers' is extensively used by visitors and is generally a very effective medium. It is distributed to persons requesting information on the province and is also distributed widely to visitors in the province. It is also affordable compared to many commercial guides. Most of the Regional Tourism Industry Associations also print travel guides which are also widely

Choosing the Right Travel Guides

Several issues should be considered:

- Will the guide reach your target market? (What can the publisher tell you about their readers and how have they determined this? Research? Observation?)

- When will the market read it? At home or on the trip?

- How many guides will be printed?

- How and when will the guides be distributed? (It is critical that details of distribution are available to ensure your ad gets into the hands of your target market at the right time during their decision-making process).

- What is the cost per thousand for a full page ad? (Compare this to other options).

- What are the deadlines? (There are usually two – one to commit your space and another to submit your artwork).

distributed, particularly to travellers in Nova Scotia.

Some helpful guidelines on travel guides are presented in the box.

Travel Trade Publications

These are magazines targeting the travel trade – travel agencies and tour operators.

Advantages

- These publications are delivered free of charge to the travel trade. Circulation is guaranteed (although readership is not), so you can at least be sure that your advertisement is being delivered to the right audience, if it's the travel trade you are targeting.

Disadvantages

- As with other magazines, it is difficult to direct advertisements to geographically-defined target market groups. There is, therefore, a lot of spillover coverage.

- Travel trade people are usually busy, so they tend to pay attention to newsworthy items and ignore the traditional advertising. As a result, this medium is more effective for new, unique products than for other things.

Yellow Pages

Advantages

- The yellow pages, although often under-rated, are a very effective way for businesses to reach local customers or customers who are temporarily in local areas. They are particularly suited to restaurants, hotels, car rental agencies, sightseeing companies and area attractions.

- There is continuous re-exposure of advertisements, since yellow pages have a fairly long lifespan.

- Similar businesses are grouped together, and this eases the customers' selection process.

- Out-of-town listings in selected target markets can also be used with good results.

Disadvantages

- Some types of tourism businesses – for example, attractions are not given a separate category in the yellow pages. This makes their advertisements hard to find.

- The quality of reproduction is not very high, and it is not possible to make full use of colour.

- It is hard to make changes or additions to advertisements, since telephone directories are infrequently updated.

- There is a long lead time involved from booking the ad until it is published.

7.6 Broadcast Media

This generally refers to radio and television. Broadcast messages convey a strong sense of realism, and that can have a strong impact on potential customers.

Radio

Advantages

- Radio has a captive audience at any given moment, and everyone in that audience will hear your advertising message.
- Usually, radio stations have segmented audience profiles and define geographic coverages. Messages can therefore be targeted accordingly.
- Radio is a versatile medium. It can, for example, be used to reinforce a newspaper advertising campaign or to obtain immediate response to special offers. It can also be useful in building an awareness of facilities and services through repeat announcements.
- Radio advertising is relatively low cost.
- It can be mobilized on short notice, and is therefore effective for special announcements and current specials.

Disadvantages

- A radio message has a short lifespan. Listeners may miss important information such as a telephone number or address.
- You cannot visually present your facilities and services; so if the "look" of your business is one of its unique selling points, then radio advertising will have limited impact.

Television

Advantages

- Television is an excellent way of conveying powerful images. The combination of sight and sound is extremely effective. It is the highest impact medium available to advertisers.
- Like radio, television has a captive audience at any one time, as well as defined geographic coverage. It can also reach large audiences; approximately 95% of Canadian households own at least one television set.

Disadvantages

- Television shares many of the disadvantages of radio. But in addition, it can be extremely expensive, both in advertisement preparation and in air time – especially if a message must be repeated to give it meaningful impact.
- It also takes longer to develop an ad compared to radio and some other media.

Broadcast advertisements tend to have shorter messages. They rely on imagery, and they need to repeat key points two or three times. However, like print advertisements, they should call for action and give purchase directions.

New Technologies in Broadcasting

The Internet has spawned a variety of new digital broadcast media, the major ones having been discussed in Section 6.

7.7 Outdoor Advertising

Outdoor advertising includes billboards and other outdoor displays, such as panels on transit buses, in airports, at shopping malls and in other public places.

Advantages

- Outdoor advertising is particularly effective in reinforcing other types of advertising and in attracting pass-through or transient customers.
- Outdoor displays have a relatively long lifespan. And they can have numerous exposures.
- If there are no other displays nearby, then your advertisement will have little or no competition for the readers' attention.

Disadvantages

- Outdoor advertising can usually communicate only a limited amount of information. Messages must be short and to the point. Outdoor advertising is therefore best used by businesses that are well established or that have readily identifiable images.
- Outdoor advertising is not a particularly selective medium.
- It also has a long lead time.

7.8 Direct Marketing

Direct marketing refers to direct communications one-on-one with the target audience, traditionally via mail. In today's marketplace, email is assuming an increasing role in direct communications with customers; however, traditional direct mail continues to play a major role in tourism marketing.

If properly planned and targeted, direct marketing can be almost as effective as a personal sales call. It works particularly well if it is used to publicize special offerings, to introduce new facilities or services, or to announce new business start-ups.

The key to success lies in having a good mailing list. Usually, the best way to build such a list is to start with your own internal sources, drawing on information you may already have, such as:

- Past customers
- People who have enquired in the past

After that, you can develop or purchase mailing lists from outside sources. More details on developing your mailing list are presented later.

Direct mail can be designed and implemented by you on your own, or you can work with a direct marketing company that specializes in this. These companies provide a range of services, typically including:

- Developing and maintaining mailing lists
- Designing, printing and distributing mailings
- Handling fulfilment in response to orders
- Tracking response rates
- Advising clients on direct mail programs.

Advantages of Direct Mail/Email

- Direct mail/email is the most targeted advertising medium there is. If you segment your mail lists into different customer categories, you can target only the best prospects for a particular offer.

- Direct mail is extremely flexible; almost anything that fits into an envelope can be sent to a potential customer, e.g. a brochure, convention kit, map or "giveaway." And with email, no documents are needed!

- Your message is read without competition from other advertisements.

- You can personalize your message, which will add considerably to its effectiveness. People pay more attention to letters that address them by name. Also, they tend to respond well to personal touches. For example, one small tourist operator in Eastern Canada has built up a large core of repeat clients by mailing personalized, handwritten birthday cards to past customers' children.

- The effectiveness of direct mail can be accurately measured by using coupons, reply cards or some other response mechanism.

- Mailings can usually be organized on fairly short notice.

- Email is as close to free as you can get!

Disadvantages

- Direct mail is relatively expensive. At regular (non bulk) postage rates, it can cost several hundred dollars just to reach 1,000 potential customers. However, you can obtain special rates from Canada Post if you pre-sort your mailing by postal code and send it to the post office for bulk delivery.

- Mailings usually generate a fairly low response rate, if they are not supported by advertising in other media. Response rates of 1% - 2% are common, although they can rise dramatically if the mailing is being sent to pre-qualified prospects.

Your direct mail offer should include one or more "hot buttons" – features that will give the recipient reason to act. The most commonly used methods of eliciting a response include:

- Sweepstakes
- Free gifts
- Free trial periods
- Special offers – savings and/or value added (coupons)

- Guarantees or money back promises.
- Self-mailers – something to mail back to redeem the offer.

The Direct Mail Package

The most common direct mail package consists of a mailing envelope, a letter or brochure and an order card or form. Each of the package components serves a purpose in keeping the reader involved and interested in the offer being made. The mailing envelope, for instance, will often contain some "teaser copy" pointing out one of the strong features of the mailing, e.g. "Free Gift Inside!" The intent, of course, is to get the reader to open the envelope.

Sources of Mailing Lists

- Internet lists – search sites such as ***Topica (http://lists.topica.com/)***
- Telephone directories
- City directories
- Industrial and business directories
- Professional and association directories
- Travel trade directories
- Association and club membership lists
- Business leads from government agencies, travel organizations, chambers of commerce and regional travel associations
- Mailing lists compiled by (and purchased from) professional mailing houses and trade magazine publishers
- Lists of attendees at trade shows, marketplaces and conventions
- Travel guide listings

The call to action is often in the guise of an order form. A common direct mail practice is to make the order form appear valuable by using certificate-type borders, serial numbers, receipt stubs and so on. The logic is that a valuable-looking order form won't be thrown away by the reader. But be careful that you don't mislead the reader, as consumers are increasingly wary of fraudulent solicitations. As a final requirement, the order form should also restate in capsule form all of the benefits and the terms of the offer.

The Mailing List

Mail lists are generally your own customer list, or a prospect list acquired from another source. In either case, make sure the list is representative of the target group to whom the offer is to be directed. Also, make sure you pay attention to the federal regulations governing privacy, as discussed in Appendix IV.

Customer lists will generally be more effective than prospect lists. The reason is that your own customer list is a pre-qualified market that knows and has experienced your product.

When dealing with prospect lists, there is a significant amount of "breakage" inherent in them. Mailing list brokers will do everything possible to pre-screen the lists they assemble and keep them up to date, but they will usually have a fair proportion of low grade prospects on them.

The more specific detail you can provide about who you wish to reach, the better the chances of getting a "quality" list.

Care should be taken to ensure that the list is not too "dated." Every year, some 20% of the population moves or dies, so a list that is two years old will be 40% wrong.

Prospect lists can be categorized into two main sources: "Mail Response Lists" are those that are generated by direct response mailings – subscriber lists, mail order lists, etc. "Compiled Lists" are, as the name suggests, compiled from sources such as the telephone directory, business associations, membership lists, etc. Whatever the source of the list, the fact remains that every effort should be made to test the lists before committing to a large scale usage.

The figure on the following page illustrates a direct mail package layout. Some more tips on effective use of direct mail are presented below.

Tips for Making Direct Mail Work for You

- Provide an easy response mechanism – such as a 1-800 number or website address.
- The communication piece must break through the clutter and competition. Don't just mail your brochure; add a customized piece that speaks personally to the audience.
- Address the target personally – talk "one to one".
- Your copy style should be the way people talk (not formal).
- Make a compelling offer and call to action (don't be shy or indirect). Adding a deadline adds urgency.
- Photography is more effective than illustrations.
- Group your information in a logical manner and make it easy to follow and understand.
- Do not mix a lot of typefaces together; keep it simple and clean.
- Use bolding, italics, underlining and highlighting to draw the eye to key points. Handwritten side notes, a P.S., or even Post-its can also be used to draw attention.
- Make sure that information is complete and easy to find and that the response mechanism is easy to use. If it's a 1-800 number or website, list it in more than one place.
- Build interest fast and promise the most important benefits first.
- Testimonials and endorsements are effective.
- Include a personal signature.
- Keep it simple (and clean) is always the best.

Make sure that your overall design, size and weight will give you the best possible rates with Canada Post. Canada Post has a direct mail guidebook that provides rate guidelines. Talk to them for specifics on sizes, weights and rates. You may be able to realize savings by a slight reduction in size or paper weight.

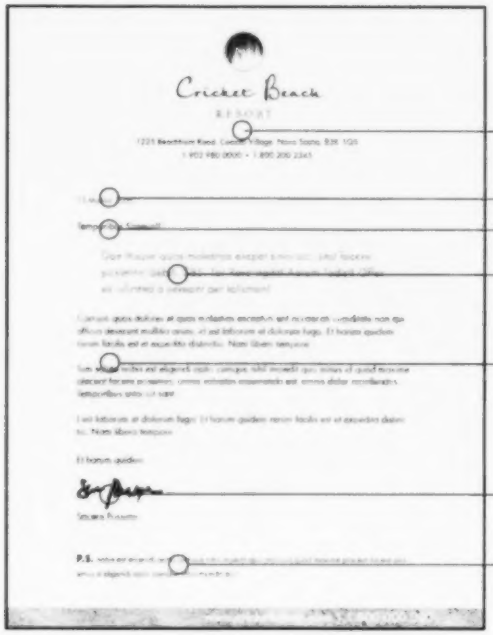
Depending on volume and budget, you can work with a Direct Marketing services firm who will customize your letter and envelope and also look after the stuffing and mailing. The customer then receives an envelope and letter that is personally addressed.

7.9 Contra Advertising

This is advertising that is based on a product-for-product exchange. For example, a radio station or billboard company may carry one or more of your advertisements in exchange for the use of your facilities or services for their own corporate public relations functions, or as prizes for their audience. You will have heard radio announcers invite people to call with the answer to a

Direct Mailout Package

Letter

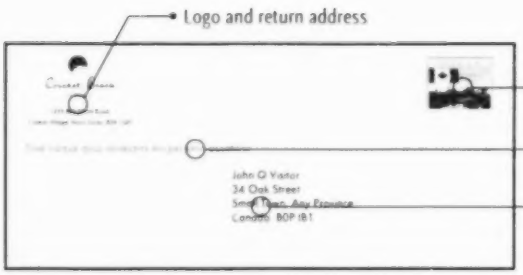


- Logo and return address
- Date
- Salutation: make it informal and personal
- Lead paragraph: Teaser, highlighted. Make it an invitation to visit.
- Letter of offer: attention, interest, desire, action. Short fast paragraphs, use indents, can include testimonials, etc. Make special offer with package price point. Letter can be one page or longer if needed. Don't overwhelm with too much information. Close with call to action: "start your summer early – 2 nights for only $129"
- Signature
- P.S.

Brochure

Make sure brochure size fits well with rest of package. It provides a showcase of the experience with detailed information about the product/service. It can also function as a catalog.

Envelope



- Logo and return address
- Real stamp has better impact than postage meter.
- Teaser copy
- Address: personalized is best

This envelope holds the letter, brochure, and response mechanism.

question and give out prizes to the winners. The prizes are usually contra, and you will also hear the announcer give a mini commercial on behalf of the contra partner. The media like tourism products for prizes and special events, so this could be a fruitful medium for you.

Advantages

- In most cases, no money changes hands, so its cost can be minimal.

Disadvantages

- The advertisements you get in exchange for your facilities or services may be scheduled during off-peak or low-audience periods.

7.10 Cooperative Advertising

Co-op advertising is a very common activity in tourism and it can be a very cost effective way for you to extend your market reach beyond what you can afford to do on your own. In Nova Scotia, the major organizations managing such programs in tourism include:

- The Nova Scotia Tourism Partnership Council and the Tourism Division of the Department of Tourism, Culture and Heritage
- The Regional Tourism Industry Associations/Destination Marketing Organizations
- Some community Chambers of Commerce and municipal tourism offices
- Packaging partners
- Tour operators.

Check the Tourism Partnership Council website at www.nstpc.com for the provincial cooperative programs. The regional tourism industry associations will have others available, so check with them as well.

Advantages

- Cooperative advertising can increase your advertising exposure, at a significantly lower cost than doing it on your own.

- It can allow you to reach markets that you can't afford to get to on your own.

Disadvantages

- Cooperative advertising will dilute the impact of your message, since more than one product or service is being promoted.

- You will not have much say over the quality and content of the message being advertised.

- The advertisement may not be aimed specifically at the target market you want to reach.

- Also, it will likely have a long lead time.

7.11 Niche Marketing

Most of the advertising media we have discussed so far are in the category of "mass media"; they are only loosely targeted to specific audiences, and all of them challenge the marketer to be able to use them in a targeted way. Increasingly, tourism marketers are using much more targeted, or

"niche" marketing techniques. Examples include:

- Specialty websites or special pages on your website that target niche market segments.
- Ads in the newsletters of clubs and associations of people having a particular common interest, perhaps birdwatching, scuba diving, etc.
- Highly customized direct mailings to small lists of very narrowly targeted prospects, such as people who have purchased a specific product in the last three months.
- Special interest magazines, of which there are growing numbers catering to increasingly narrow interests.

Advantages

- A highly targeted and therefore "efficient" method of contacting special interest travellers.
- Usually an uncluttered environment in which to communicate your message.
- Highly engaged reader that is pre-qualified in terms of potential interest.
- Relatively low cost.

Disadvantages

- Difficult to find key contacts and appropriate publications.
- The publisher may have limited advertising, production capabilities.
- Timing of publication dates may not coincide with trip planning periods.
- May be difficult to know the exact profile of association or club members unless they can provide it.

7.12 Media Selection

The basic approach is to choose those media that reach your target markets with the minimum of spill-over into other, non-desired markets.

Advertising should be a repetitive process. One-shot attempts are usually ineffective. As a result, do not select an expensive medium (like television) if you cannot afford to repeat your advertisements with enough frequency to achieve an impact.

To determine which media reach your target markets most effectively, you should ask media sales representatives for the following information:

- Media audience profiles: demographics, geographics, psychographics, etc.
- Circulation, viewership or listening audience numbers
- Market coverage and market penetration rates: What is the extent of the medium's markets, and how many people within those markets are likely to receive your message?
- Cost per thousand contacts: How does this compare with other media alternatives?

This last point may need some clarification. Cost per thousand, or CPM, is a way of comparing the costs of reaching 1,000 people by using various media. It is a measure of market reach, used to compare one medium against another. More about this is provided in the box on the next page.

CPM

Suppose a magazine has a circulation of 75,000 and that the cost of placing a one-third-page, four-colour advertisement is $1,500. The CPM for the magazine would be calculated as follows:

$$\text{Magazine CPM} = \frac{\$1{,}500}{75{,}000} \times 1{,}000 = \$20$$

Now suppose a newspaper has a Monday-to-Friday daily circulation of 300,000, and that the cost of placing an advertisement is $4.00 per line. If an advertisement is 30 lines over two columns, then the CPM would be calculated as follows:

$$\text{Magazine CPM} = \frac{\$4 \times 30 \times 2}{300{,}000} \times 1{,}000 = \$0.80$$

This calculation gives you a way of comparing costs. However, bear in mind that it is just a guide, since it says nothing about the quality of the readership. The newspaper advertisement may be substantially cheaper per thousand than the magazine advertisement, but if it doesn't reach the right audience, then clearly it is no bargain.

7.13 Using an Advertising Agency

Advertising agencies are companies that, among other things, recommend advertising programs and prepare and place advertisements for clients. They usually develop the creative part of the advertisement (the copy, artwork, scripts, music, sets, and so on); handle the production; select the appropriate media; place the advertising contracts; and verify that the advertisements appear as and when they should.

For this work, they charge a commission – traditionally 15% of the advertising costs, which they receive as a commission from the media based on the media cost. Increasingly, agencies are charging on a fee-for-time basis instead, and passing to the client any media commissions.

Good agencies have a wide range of advertising experience and knowledge, which they can bring to bear on your behalf. They almost always employ their own creative copywriters, artists and designers. They have contacts with advertising-production specialists. And they understand the various media. Consequently, they can often produce more sophisticated and effective advertising than you could do on your own.

If you are considering the use of an advertising agency, here are some helpful tips:

- Make sure that the people have experience with your type of products and with tourism markets and marketing.
- Don't let them develop an advertising campaign without input from you.
- Insist that the agency's staff experience your facilities and services first-hand, so that they

intimately know what they are trying to market and its customer benefit features.

- Satisfy yourself that their research into media options is thorough and sound before you allow them to proceed with the program.

- Make sure the agency has a thorough understanding of your objectives, of your expectations and of your brand.

The National List of Advertisers can give you valuable information on the larger Canadian advertising agencies; it may be of help when you are making a selection.

If you prefer not to use an agency, you may still able to get valuable help from other sources. These might include your local printer, a graphic artist, a college/university visual art department, an art teacher or a local designer.

Either way, though, you should try to develop a strong relationship with your advertising consultants, so that they become part of your advertising – and marketing – team.

7.14 Sales Promotion

Sales promotion is often confused with advertising and with the term "promotion" generally. Essentially, sales promotion covers promotional activities other than personal selling and advertising. It therefore includes the following kinds of things:

- Free samples, free trial use of the product to encourage subsequent purchase;
- Coupons offering a saving or some other special benefit in buying a product. These can be attached to an ad or distributed separately;
- Contests and prizes that draw attention to a product. If you run a contest, you will almost certainly have to support it with advertising that lets people know about the contest;
- Special, limited time offers, such as temporary price reductions, "free" items with a purchase, and so on; generally used to encourage purchase in off-peak periods;
- Gifts and novelties, usually carrying the name of the business or product to draw attention to it;
- Exhibits, displays or information booths in public locations and at events;
- Booth displays at consumer and travel trade shows;
- Signs, including road and on-premises signs;
- Special events staged, hosted or sponsored by a business;
- Training programs and seminars for the travel trade and other marketing partners.

The purpose of sales promotion, like advertising, is to attract attention to a product and generate sales.

In tourism, sales promotions are frequently used to target an intermediary group such as travel agents or other members of the travel trade. For example, travel agents may be encouraged to sell more of your product if you send them an attractive display unit or poster; if you arrange product training sessions with them; or if you offer them the chance to win a prize in a contest you have organized.

If you are introducing a new product or service, you might want to offer introductory discounts or coupons to stimulate trial purchase. Contests, special gifts and sales incentive programs are usually more appropriate for established products.

If you distribute gifts, make sure you tie them in with the product. For example, a fishing hat given away by a lodge should have the lodge's name printed on it. Also, make sure your gifts are in good taste and in line with your product image.

Sales promotion is by no means a substitute for advertising or personal selling. But, it can be an effective way of reinforcing those other activities. It is therefore most effective as part of a broader advertising and marketing effort.

7.15 In Conclusion about Advertising

While good advertising can have a huge impact on your business, it is also important to realize what advertising can't do. It can't close the sale or take a booking. The best it can do is:

- Generate awareness
- Create interest, and then desire for the product
- Stimulate an enquiry
- Help maintain loyalty

It is up to you and your staff to turn the enquiry into a sale.

SECTION 8

Brochures and Other Collateral Material

SECTION 8

BROCHURES AND OTHER COLLATERAL MATERIALS

One of the characteristics of the tourism industry is that customers are usually located a distance from the product. Traditionally this meant they couldn't view or sample the product before they purchase; instead, they had to buy it sight unseen. This has changed with the Internet, of course, however the Internet does not reach everyone by any means, and certainly not at all times. Making printed materials available therefore continue to play an important role in responding to enquiries.

Other than the brochure and a rate card, collateral materials include such items as local and regional maps, travel guides, posters and flyers, which, along with your brochure and rate card, you might mail directly to customers, distribute through travel agents, or display in tourism offices, visitor information centres and chambers of commerce.

In addition, your sales support materials could include items that you use to promote to customers once they have arrived at your facilities; for example, tent cards promoting your various services, in-room guest directories and information cards promoting local attractions (and thereby encouraging longer stays).

They would also include items that your customers might like to take away with them, such as another copy of your brochure, or perhaps a postcard illustrating your facilities and listing your website.

Finally, they would also include items that you might want to send to customers after they have left; for example, a regular newsletter that keeps them informed about upcoming events and promotions, and about any new facilities and services you are planning to introduce.

All these sales support materials can play a vital role in the promotion of your tourism product.

8.1 The Importance of Your Brochure

Of all the sales support materials mentioned above, the most important is your brochure. That's because it is the one item other than your website that clearly and effectively presents the compelling reasons the consumer should buy your product, and it therefore is the most likely to make the sale.

And, as mentioned, the customer often has to rely on a brochure to learn about your product.

The brochure is most important to a destination resort, city hotel, hunting or fishing lodge, wilderness adventure product, and any other product that is sold before the customer arrives at the destination. It is somewhat less important to products that are usually purchased after the customer arrives, such as a highway motel room or a restaurant meal.

For this reason, most of this chapter is devoted to brochures. However, it should be stressed that all the principles we discuss apply with equal merit to any of the other printed sales support materials that you may use.

The main functions are identified in Exhibit 13.

8.2 Types of Brochures

Although most brochures in tourism are designed to fulfill a range of functions, some types have more limited uses. There are three main types of brochures used in the tourism industry. They are described below:

Informational Brochures

- As the name suggests, these brochures are designed mainly to provide information. Often, they simply contain listings, with a brief description of various facilities and services. The only overt "sell" they contain may take the form of photographs or a few descriptive paragraphs of text.

- Convention kits, travel guides and directories are examples of this kind of brochure.

Lure Brochures

- This is the name given to those brochures that are produced by government tourism departments, convention bureaus, chambers of commerce and tourist associations to generate interest in visiting a particular area. While they are not normally produced by tourism operators, they can help you considerably if you use them in combination with your own brochure as a sales support aid.

Promotional Brochures

- These brochures are the most common and the ones that play the roles illustrated in Exhibit 13. Their function is not just to inform, or create awareness about a destination; it is also to sell products and services. It therefore needs a 'call to action' built into it. This is the type used by most tourism businesses, and, as such, it is the main type we will deal with in this chapter.

- With the growth in use of websites in marketing, we are seeing more rack cards being used. These are single panel pieces designed for a brochure rack, whose functions are to attract interest and refer people to a website for more information.

Exhibit 13
Main Functions of a Tourism Brochure

ROLES OR FUNCTIONS	AUDIENCE GROUP	
	Individual and Group Customers	The Travel Trade
Sell facilities and services	✓	
Provide booking information	✓	✓
Provide details on facilities and services	✓	✓
Function as a sales and reservations guide		✓
Provide trip planning information	✓	✓
Show to friends, relatives and business associates before and after trip	✓	
Assist with 'comparison shopping'	✓	✓
Enhance post-trip remembrances	✓	

8.3 Brochure Content and Design

Your brochure need not be elaborate or expensive. A simple, well-written, well-designed, one-fold brochure can work just as effectively, in many cases, as a much more expensive "work of art".

When trying to decide what kind of brochure you need – and what it should look like and what it should contain – you need to consider the following:

- Your target market(s)
- The intended role(s) of your brochure
- The reasons your customers buy from you
- The size of your promotional budget

The place to start is, of course, with your target markets. And the first thing to realize here is that you may need more than one brochure. This will be the case if there are significant differences among target markets with regard to the role the brochure needs to play, in the products you are featuring or in the appeals that will work. For example, you may need a promotional brochure for families and vacationers, and an informational brochure for buyers of group meetings and conventions.

Your first step then is to evaluate each of your major market segments and decide how many brochures you are going to need.

Your next step is to decide on the content of your brochure. As a rule, promotional brochures should contain the following:

- Name of the facility and its logo
- Illustrations of major features, facilities and services
- Descriptive text or copy (including coverage of local demand-generators)
- Selling or motivational copy, highlighting customer appeals and unique selling points
- Business location, address, telephone and fax number, e-mail and website address
- Map showing how to get to the facility

Detailed information on prices, discounts, travel booking procedures and terms, deposit requirements, conditions for cancellations and refunds should be provided in a separate insert, called a "rate card", which can be updated and replaced as and when required without the need to reprint the brochure.

As for the design of your brochure, it should follow the AIDA formula discussed under advertising – that is, it should first capture the readers' attention; then create interest; then engender a desire; and finally generate action that leads to a purchase. The 'call to action' would present a strong suggestion that the reader call for more information, or to book, accompanied by the information needed to do so – the website address, an email address, a toll free number to call, a mailing address, etc.

If you have a six-panel brochure (that is, a single sheet of 8 ½" x 11" paper folded in thirds and printed double-sided). The front cover should capture attention and encourage customers to pick the brochure up. That means it will need a headline, and almost certainly an illustration, preferably an exciting photo, which acts as the "attention grabber".

The first inside panel should generate interest, with short text and preferably some other illustrations and/or photographs highlighting the unique appeals of your offer.

The inside of the brochure presents more text and photos, designed to move the prospect beyond the interest stage. These panels should describe the key facilities, services and programs that are being offered. It should be as motivational as possible, making the reader sufficiently involved in the product to start considering it in earnest. It should also highlight your unique selling points, and it should stress your competitive strengths.

The back panel of the brochure should contain the information that is needed to generate action. This would include your business' name, location, address, telephone and fax number, e-mail and website addresses, and information on how to make a reservation. A map would be helpful as well.

Larger or smaller brochures need to follow the same sequence. For rack cards, the front of the card is use to capture attention and generate interest with the back providing the additional information needed to generate action.

As with advertisements, both sentences and paragraphs should be short. And don't cram too much in! Limit the text to key statements and craft them carefully so that they create a clear, simple but appealing mental picture. Use white space to advantage, to set off key statements.

Remember, you don't need to tell the customer everything there is to tell in the brochure – only enough to give them a clear picture and to motivate them to call. If they need more information, they will ask for it. If you do otherwise, there is the very great risk that you will lose their attention before you get them to the point of wanting to call. You haven't sold them; you've worn them out! Keep it as short and sweet as you reasonably can.

Brochure Size

The total size of the brochure when unfolded will be dictated by your budget and the amount of information you decide you need to include. (There is no real rule, except as we mentioned above, "less can be more" if you want to hold their attention).

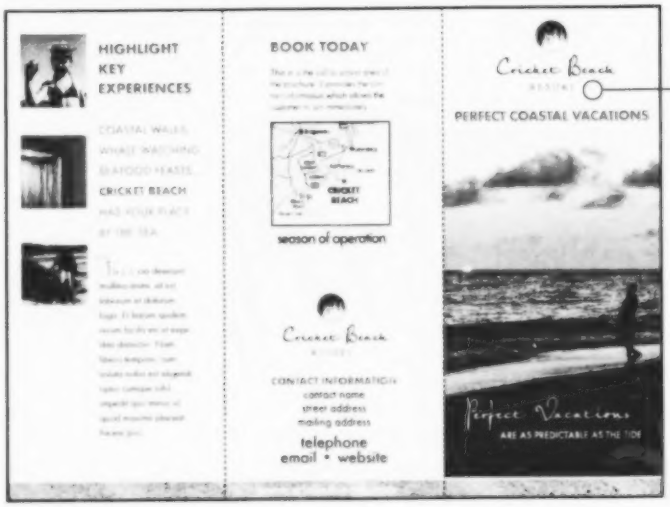
For most tourism businesses, their main brochure will, when folded, fit in a standard # 10 envelope. The folded size is 4" x 9". There are two important reasons for this; it makes it simpler and cheaper for mailing; and it also fits into the standard brochure racks used in visitor information centres and other normal brochure locations. Rack cards are 4" x 9", and usually are double-sided.

Tour operators use an 8 ½" x 11" brochure, which is the size used in travel agencies (most no longer display the smaller brochures). But as few independent tourism operators will get to have their brochures displayed in travel agencies, there is little point in having a brochure this size.

The figure on the following pages illustrates some of the key tips on designing a brochure.

The Brochure (9 inches H x 12 inches W – gate fold)

Side 1



Remember that the bottom half of the brochure will not be visible when displayed in brochure racks. Keep the most important information at the top of the panel.

Inside Flap
Highlight key benefits – sell the experience

Back Panel
Include: Summary Information, Locator Map, Call to Action, Address, Phone, Fax, Email, Website

Front Panel

Side 2

Good photography is a powerful draw. Graphics and illustrations can help attract the viewer and create an image or feeling.

Inside Panels

Combine information about the experience but don't overwhelm with too much detail. Include strong visuals.

Note that the overall design follows a grid established on the front panel. Larger visuals can run across the fold. Text should only run across the fold if the font size is large and strong.

A grid template provides point size and weight of type for primary and secondary headings, body text and captions, etc. Number, width, and positioning of columns as well as width of margins and space between columns is given. Altogether this provides a basic template that is then customized to work with the actual content. It creates a sense of organization and eye flow for easy reading and attractiveness.

Layout Tips

Symmetric (centered)

Asymmetric (off-center)

- The layout maybe symmetric (centered) or asymmetric (off-center) and the choice between them profoundly affects the layout and feeling of a page. In very simple terms, a symmetric layout is likely to produce a more static, restful design, while an asymmetric scheme permits a more lively and dynamic design.
- Note the use of white space (empty space) in both layouts. It gives space for readability and helps the eye flow.
- Grouping of related information, whether it is images or copy makes the reading more logical and intuitive. Decide how to treat primary and secondary headings. The prioritization can be achieved through size, weight, italic and even a contrasting typeface.
- The impact of one large visual is most powerful. Using several smaller photos is not as effective unless they are cleverly grouped together or visually linked to one dominant visual.

Formatting Text

The way you format the text will help organize your page. It can help group facts and draw attention to key information. Below are a few format examples:

Flush Left

FLUSH LEFT - This is an example of one type of text format. Note that it is flush along the left edge and ragged at the right. This is known as flush left.

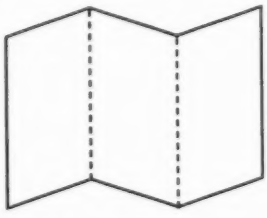
Centered

CENTERED - This is an example of another text format. Note that it is centered with both the left and right edge being ragged. It is aligned along a centered axis. This is known as centered.

Flush Right

FLUSH RIGHT - This is an example of a third text format. Note that it is flush along the right edge and ragged at the left. This is known as flush right.

Folding



Accordion fold

Gate-fold

The folding will determine the sequence in which the panels are viewed. Pay attention to where the folds appear. Make sure that infomation is not lost or broken by the fold. The brochure sample on the previous page was designed as a "gate-fold" You can also use an accordion fold format.

8.4 Selecting Photographs

All brochures will benefit from illustrations. These do not necessarily have to be photographs. They could, for example, be simple black and white line drawings. However, photographs are much more credible than "artist's impressions", and should be used whenever possible.

The most effective photographs are action shots of customers using your facilities and services. A photograph of a customer catching a fish has more impact than a photograph of a dead fish, or of an empty fishing boat. A photograph of a water slide with someone coming down it is more effective than a photograph of an empty swimming pool. A photograph of a crowded dance floor where people are having fun is more effective than a photograph of a large empty room, regardless of how nice your decor might be.

Tennis courts, meeting rooms, convention halls, restaurants, bars – all these facilities should be shown with people using them.

However, make sure that you do not run photographs of people using your facilities in a wrong or inappropriate way – for example, using a swimming pool without proper supervision, or showing an overcrowded boat.

In addition, you should:

- Only use photographs that have been taken professionally (or at least to professional standards).
- Use several photographs to show each of the key features that are likely to be of appeal to the customer.
- Avoid using too many photographs, to the point where your brochure becomes overcrowded; a small number of large photographs has more impact than a large number of small ones.
- Consider using photographs of local attractions that people are likely to be interested in visiting.
- Only use photographs that are genuinely representative. Obviously, you would not use a photograph of a swimming pool if you did not actually have one, but neither should you run a photograph of a guest room with flowers and fruit baskets if your guest rooms do not normally contain flowers and fruit baskets. Flatter your facilities, but be honest. "What you see is what you get" should be the rule.
- Maintain a photograph library and keep duplicates of your best shots for future use in other promotional materials.
- Avoid using photographs that will rapidly date – for example, photographs of cars, buildings under construction, people's clothing or hair styles that may soon go out of fashion, and so on.
- Always run a caption with each photograph explaining precisely what the photograph shows.
- Try to put a selling message into your captions, since captions with photos are read more carefully than brochure text. For example, "A couple enjoying our hot tub" instead of "our hot tub".

8.5 Other Design Considerations

In addition to the points made earlier, there are several others that relate to the design of your brochure (and to any of your other sales support materials). Here are the main ones you should keep in mind:

- Use, clear simple type with different sizes for your titles, subtitles, headings and copy. Avoid ornate type styles; do not mix several styles, since that makes the copy disjointed and hard to read.

- For the body text, use black on white, or another sharply contrasting combination, for easy legibility and strong impact.

- Do not overprint your type with a coloured screen; that makes the type difficult to read. Instead, use colour in your headings or borders to highlight key information.

- Do not use too many colours. This will weaken the power of colour to draw attention to key points.

- Organize your material carefully; do not mix different kinds of information. Follow the AIDA formula in laying out the sections.

- Leave white space, particularly in the "sell" section of your brochure. This will help highlight the selling information, and ensure that the material is not missed by your readers.

- Put the front cover copy on the top quarter of the page, so that it can be seen when displayed on a travel information rack. Only the top quarter will be visible when it is in the rack.

- Make sure your brochure's layout is consistent; do not try to be clever or too creative; again, keep it simple.

- If you expect travel agencies to sell your product, leave space on the back cover for the travel agent's stamp.

We present on the following pages a brochure for a Nova Scotia accommodation business and two rack cards, one for an accommodation property and the other for a tourism-oriented retail business, that illustrate many quality features. Both brochure rack cards are clean and easy to read with good quality photography and the name on the top ¼ of the page. The brochure, from the Inn on the Lake, is professionally designed and of good quality. Specific comments:

Front Cover:

- Uncluttered
- Name on top ¼ of page

Inside:

- Excellent, professional photos (it would benefit from having people in them)
- Clean, easy to read, no clutter
- Sets out the unique selling propositions of the inn very well

Back Cover

- Good directions map

A RELAXING RETREAT,
JUST MOMENTS FROM THE CITY.

The Inn appeals to travelers seeking a "Unique Airport Hotel" with complimentary ground transportation, fine dining, recreational facilities, superior accommodations, business services and country hospitality.

The Halifax International Airport and all the amenities of the twin cities, Dartmouth and Halifax, are within a 15 minute drive. The historic Halifax waterfront with its shops, theatres and restaurants are close at hand. Easy access to route 118 and 102, two of the province's main highways, ideally situate the Inn as a touring base. The Annapolis Valley, South Shore, Eastern Shore and Bay of Fundy are near enough for a tourist to leisurely visit in a single day and still return to the Inn for dinner.

Directions:
Exit 5 off highway 102 Or Exit 14 off highway 118
Fall River, Nova Scotia

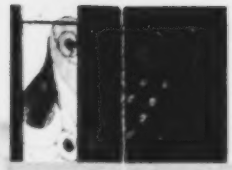
GPS: 44° 48' 53"N, 63° 36' 42" E

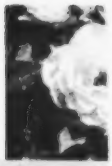
Toll Free Reservations in North America
1-800-463-6465
T (902) 861-3460 F (902) 861-4883

Mailing Address:
Inn on the Lake 3029 Hwy 2,
Fall River, Nova Scotia, Canada B2T 1J5

Email: book@innonthelake.com
Web: www.innonthelake.com

innkeepers: Ron and Sue Nelson





TAKING CARE OF BUSINESS

Executives and meeting facilitators choose the Inn because of its inviting location, excellent food, recreational facilities, complimentary parking, well designed meeting space and availability of audio visual equipment. Guests have access to the latest in computer technology, peripherals, software and presentation equipment. Technicians are on-site to support users with their communication and technical interface needs.

Halifax and the airport are close at hand, yet sufficiently remote to avoid distractions. The Inn's facilities are designed as a series of conversation areas. Each differs in size and theme; all are sheltered from the public ear and have a natural, familiar feel about them. Whether it's on the tennis court, in a canoe, in a private dining room, or huddled after hours in one of the many nooks and crannies of the pub, attendees are provided with the opportunity to network or just relax.

DINING PLEASURES

Guests enjoy exquisite cuisine, country hospitality and a wide variety of dining experiences. There is a dining area to suit every mood, whether it is a quiet lunch by the pool, a light-hearted supper in "Oliver's", the English style pub, or a full course meal in "Encore". Menus follow a seasonal theme and our culinary team are highly skilled, versatile and well organized. Their combination of specially prepared favourites and inventive specialties has already captured the hearts and palates of regulars and garnered praise from the toughest critics.

SPECIAL OCCASIONS

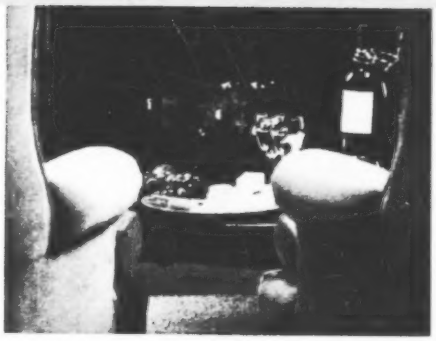
The Inn is a sought-after choice for weddings, receptions, private dinners and romantic escapes. The Victorian gazebos, ornate bandstand, formal garden and private dining areas are complemented by large suites with sunken living room, and double whirlpool bath.

Organizers can select from "special function" menus and bar service, including a full range of appetizers, entrees and delicious desserts.

The chef and banquet staff frequently work with guests to personalize their menus and itineraries. Whether it is a BBQ or a formal dinner, attention to detail is Inn on the Lakes hallmark. Experience and flexibility allows the Inn to provide as much or as little help as one may wish.

ABOUT THE INN

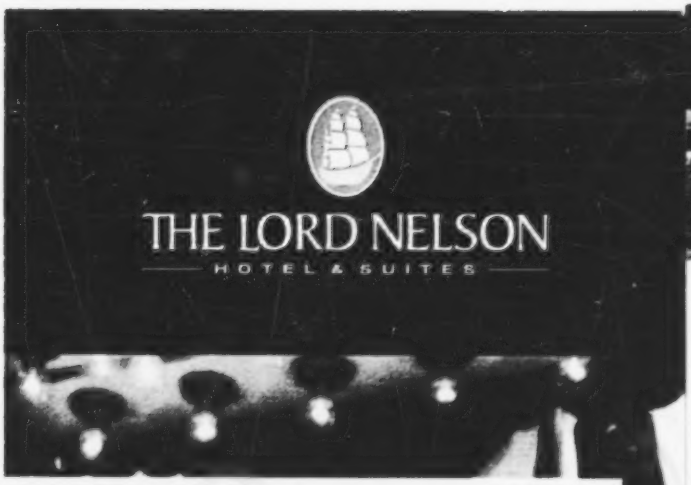
Inn on the Lake, with its French, turn-of-the-century architectural design and interiors of crown moldings, classic artwork and dark wood, is located at the edge of Lake Thomas on the historic Shubenacadie Canal System. The Inn's groomed water frontage, four acres of parkland, gardens and gazebos combine with the period design to capture the ambience of a country retreat at the outskirts of the city.



HOME AWAY FROM HOME

From the moment you pass through the doors, you know you're welcomed. The Inn offers something for everyone. Travelers love the convenient location and complimentary airport shuttle service. Business people appreciate the meeting rooms and personalized services. Couples delight in the romantic atmosphere – a perfect setting for weddings, honeymoons, or that special weekend. Guests enjoy the groomed parkland, white sand beach, outdoor pool, water sports and tennis courts. Diners are delighted with the traditional cuisine offered in "Encore's" elegant dining room; canopy covered decks and "Oliver's" cozy English-style pub.

Ultimately, service is the most important factor in a guest's evaluation of their visit to a hotel. Staff are hired based on friendliness, the sincerity of their interest in serving the customer and their desire to learn. The Inn's unique culture has attracted a team of employees who make guests feel special, make them want to return soon and make them want to tell others. Staff and management are a closely woven group with an entrepreneurial spirit; all employees are encouraged to share a sense of ownership and to participate in decisions that make the guest's stay a memorable experience.



HALIFAX NEVER LOOKED SO GOOD

GET A FRESH LOOK AT HALIFAX

Located on the liveliest corner in downtown and across from the beautiful Public Gardens, popular restaurants, shopping and entertainment surround the hotel. The city's business district, hospitals, universities and favoured attractions are just minutes away. Rich historical ambiance, attentive service and digital-age convenience, all in perfect balance. The *new* Lord Nelson Hotel. Halifax never looked so good.

260 elegant guestrooms & suites in a selection of styles & layouts.
High-speed internet. Heated indoor parking.
Fitness facilities. Concierge service.
Victory Arms English-style restaurant.
Fully-equipped Business Centre. Wireless access.
Over 11,500 square feet of flexible meeting space & full service catering for meetings & banquets for up to 600.

...the new Lord Nelson

1515 South Park Street. Halifax, Nova Scotia. Canada. B3J 2L2

On the Halifax Waterfront there's a group of craftsmen keeping alive the old world tradition of handcrafted crystal.

In the heart of the bustling Waterfront, we use techniques that have not changed over a century. Come down and see molten crystal being mouth-blown and hand-cut in the traditional way. Over 150 unique pieces are available for gifts, your home, or office—each one, the expression of the crystalmaker's soul.

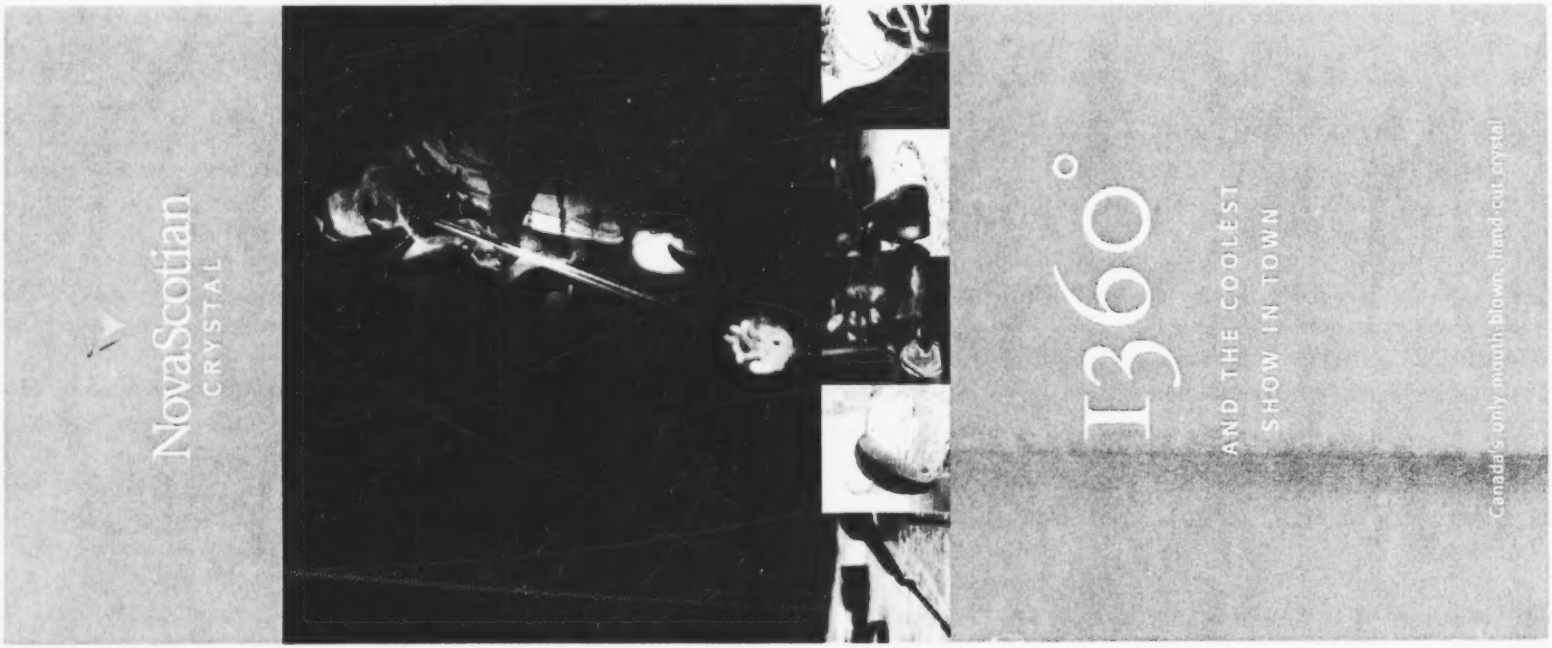
NovaScotian
CRYSTAL

On the Halifax Waterfront
(Lower Water Street at the foot of George)
Halifax · Nova Scotia · Canada
Tel: 902.492.0416 · Toll Free: 1.888.9772797
www.NovaScotianCrystal.com

❶ NovaScotian Crystal ❷ Maritime Museum of the Atlantic ❸ Bishop's Landing
○ Cable Wharf ○ Ferry Terminal ❻ Casino Nova Scotia Hotel ○ Casino Nova Scotia

• Pier 21 & Cruiseship terminals (10min. walk from Glassworks)

MacDonald Bridge •



The Nova Scotia Department of Tourism, Culture and Heritage has published "Guidelines for Literature Distribution," which also includes a number of important guidelines for brochure design, if the brochures are to be distributed through the provincial distribution system. These guidelines are provided in Exhibit 14 below.

Exhibit 14
Extracted from "Guidelines for Literature Distribution"
To Assist Tourism Operators in Nova Scotia Produce Brochures That Are Recognizable and Effective

Design Requirements:

- The name of your accommodation or attraction must appear prominently on the top third of the front of your brochure. This allows the visitor to see your property's name at eye level and avoids having the name hidden by the front of the brochure slot.
- All written information must be spaced at 1.5 spacing to allow for easy reading by the visitor.
- The folded brochure must not exceed **four inches by nine inches** (10 cm x 23 cm). Anything larger will not fit in our brochure racks. A significantly smaller brochure would slide down the slot and the visitor would be unable to read your heading.
- Your brochure must be printed in **160 (M) or 70 lb** weight text paper if the information is on two sides. Brochures with two or more panels can be printed on **bonded stock paper**. This will reduce the possibility of the brochures curling and bending in the brochure rack.
- In order to make your brochure more appealing we recommend that it contains pictures. Tourism, Culture and Heritage has a library of 50,000 slides that you can borrow. These slides are not of specific accommodations or attractions, but are of different areas in the province and specific activities.
- Brochures with hand drawn locator maps will not be accepted.

Source: Nova Scotia Department of Tourism, Culture and Heritage

8.6 Printing Your Brochure

Printing a brochure can be expensive, so it pays to find ways to keep your costs down. The following factors have the most effect on your printing costs:

- Type of paper stock used
- Number of pages and their size
- Numbers of colours
- Type and manner of folding and binding
- Number of copies printed
- Printing process used
- The need for special cutting or inserts

Paper varies widely in cost. Newsprint is relatively cheap, while heavy, glossy paper is expensive. You should try to use the minimum grade paper you can, while still making sure your brochure is of good quality overall and that it "works." For example, even though it is expensive, you may have to use glossy paper if you want high-quality colour reproduction; or you might have to use heavy paper if you want your brochure to stand up in the rack.

The size of the paper sheet and size of the page are important, because they determine the number of cuts required, and the amount of waste. Buying paper in standard lots almost always saves money. Obviously, more pages represent more cost.

Each primary colour used (including black) requires a separate colour separation, a separate plate and a separate print run. The more colours, therefore, the higher the cost.

The number of folds significantly affects costs, since folding is often a manual operation. Binding is also expensive, but with a smaller brochure, it should not normally be needed.

The number of copies you print is obviously another important cost factor. The cost per copy diminishes rapidly with increased print runs, so it may be advisable to print two or three years' supply at one time, rather than reprint every year. This is one other reason to make sure that your brochure does not become dated too soon.

Special cutting requirements, such as for non-standard sheet sizes or shapes, can dramatically increase costs. As much as possible, they should be avoided.

Different printing processes can result in widely varying costs. You can often save money by using a less-than-best process, without suffering a noticeable loss in quality. Several printers should be asked about the processes before making a decision on which one to use.
Inserts too will increase costs, but some inserts – for example, of an order card or rate card – will still be worth it.

Improvements in technology have made high quality laser printing an affordable option for small print runs (i.e. under 500 copies). Ask your supplier to show you samples of their product and ask them to give you a quote that compares the cost for laser printing against traditional 4-colour process printing. While colour laser printing cannot match the quality of 4-colour printing, it is a good alternative for small projects that benefit from the use of colour.

The box gives you some helpful tips on dealing with printers.

Working with Printers

- It is always advisable to get quotations from two or three printers for comparison.
- Give them all the printing specifications they will need for proper quoting (make sure it is a quotation, not an estimate) – quantity, paper stock and weight, size, number of ink colours (spot or process), varnishes, bleeds, folds, die-cutting, etc. Your designer can help you with providing this information. It can be helpful for the printer to see a design mock-up from the designer (often referred to as a "comp") when quoting.
- Technology has had a huge impact on printers in recent years, providing a wide variety of printing options for smaller, customized projects. Discuss their capabilities for smaller projects if you are considering customized direct mail pieces.
- Almost all printers work with electronic or digital files and will not accept a hard copy artwork except as a file proof. Ask them what platform (Windows or Mac), file formats and software they accept. Each printer will have preferences and it is best to know this before you prepare your files.
- Printers expect your files to be ready for the press and if they do not meet their specifications they may charge you if they must fix your files or produce new proofs. Be aware of hidden charges for corrections, new file submissions, additional proofs and rush surcharges. Ask your printer to detail their requirements and proofing method (what type of proof they will supply) within the quotation.
- Discuss schedule. Let them know when you need final delivery. Make sure you factor in time for delivery from the plant to your location.
- If possible, allow extra time in case there is a problem (keep these extra days as your secret).
- Be aware of the types and stages of the proofing process. There are many different kinds of proofs and they are used to check different things. Some are used for colour while others are used to check layout, folding and orientation. There are 3 stages of proofing:

  (1) **Final outputs provided by the designer before printing.** These may be hardcopy or digital files (pdfs or jpgs). All content will be in final position with image and graphics in place. Corrections and final edits have been made. Colour may not be accurate at this stage

  (2) **Prepress proofs.** The printer supplies a proof from the final file. A variety of technologies are used for digital proofs. Colour laser, inkjet, dye sublimation, thermal wax are some of the most commonly used. Often two different types of proofs are supplied for full colour projects. A high quality digital proof will be supplied to check colour accuracy and an inexpensive proof (blueline or inkjet) may be used to check folding and trimming.

  (3) **Press proof is a proof from the printing press, plates and inks specified for the job and is usually done on-site.** Press proofs are not a standard inclusion in most quotations and additional press time is needed to perform this type of check. Make the printer aware of your proofing requirements at the quotation stage to avoid unexpected costs. You should plan for your designer and yourself to attend the press proof if the job is complex, large or significant. Together you will cover all aspects of detail, accuracy and quality. The designer will look at the job from a design perspective – colour, print quality, design accuracy, etc. As the client you should check for content accuracy, i.e. phone numbers, addresses and other product details.

  At each successive stage it gets more expensive (in both time and money) to make corrections. At each stage, when you proof, you should look carefully for completeness of content and accuracy of details. Check phone numbers, addresses, web addresses – every detail!

- Most printers will require a client signature on the final prepress proof. If a change is to be made before printing, make sure it is clearly noted on the proof. Your approval relieves the printer and designer of responsibility for errors and omissions. Check thoroughly and have a third person go over it before you sign off on it.

8.7 Doing It Yourself

Your budget will probably not allow you to have every item in your marketing package professionally designed and printed. Some projects are too small to warrant the investment. Yet you should strive to develop a consistent look and feel for all of your print materials. Affordable software packages have put the tools to create polished graphics within reach of small businesses. A whole range of software programs is available and many come bundled with operating systems and computer set-ups. Most computer users are familiar with programs like Microsoft Word and Powerpoint. The software used by industry professionals, such as InDesign and Photoshop, is available for a variety of operating systems and is generally much more expensive.

The following are some of the most popular programs:

- **Microsoft:** Publisher 2003, Word, Excel, Powerpoint
- **Quark:** XPress
- **Adobe:** Pagemaker, InDesign, Illustrator, Photoshop, Acrobat
- **Corel:** Corel DRAW, Painter, Word Perfect
- **Macromedia:** Freehand

Choose the Right Program

Determine what you need to do and find the right software tool for the job. If you need to create a simple one page menu on a daily basis, you could use a word processing program like MS Word to overprint text on your preprinted letterhead. If you plan to manipulate photography and create a highly customized newsletter, you would need to invest in a full suite of professional programs, like Photoshop, Illustrator and InDesign, to be able to create the document. Programs like MS Publisher fall somewhere in the middle. It is designed as a desktop publishing program for small businesses and has the tools and ready-to-use forms to help you create newsletters, business cards, labels and host of other documents.

Printing Your Work

Decide where and how you will print your final document. If you plan to use your own home or office printer, make sure the software and fonts are compatible with your printer. Fonts are a major issue with all types of printing and you will often run into font related problems. You don't want to spend hours creating your piece only to discover that it cannot be printed. If you intend to use a professional printer or have a copy store print your job, check with them before you buy new software. Commercial Printers will work with a variety of files but will have preferences and formats that they will not accept. Confirm their specifications before you begin the job. Do not assume that because your file prints from your printer that it will print properly on every device.

Budget Your Time

Software is a tool and like any tool, practice and experience will teach you how to use it well. It can take a great deal of time to become proficient with complex programs. To create a quality product you will need to learn about the design process and develop an understanding of layout and visual communication.

8.8 Distributing your Brochure

There are a number of distribution channels that you can use to get your brochures into the hands of the right people. The main ones are:

- Bulk or individual mailings to potential and past customers;
- The Department of Tourism, Culture and Heritage Distribution Centre handles fulfilment of government and Check In enquiries, stocking provincial visitor information centres as well as accredited local visitor information centres. (There are guidelines for the distribution of literature through the Centre; they are presented in Exhibit 15);
- Regional tourism industry associations, chambers of commerce and community visitor information centres;
- Hotel, restaurant and attraction lobby areas;
- Club, association or other group functions that are matched to your target markets;
- Appropriate public events, fairs and festivals;
- Transportation centres such as airports, highway service centres, ferry terminals and bus and train stations;
- Travel agencies;
- Consumer and travel trade shows.

Because of the costs involved, you will need to develop a carefully planned distribution program. You don't want to over-distribute and waste brochures. You should make preliminary enquiries to find out how many brochures each distribution outlet is likely to use productively. Past business volumes from each source are a good indication of the number that should be supplied. You can always supply more brochures at a later date.

There are several specialized distribution companies in Canada (and elsewhere). They should be considered if you have an extensive distribution program. Usually, these companies maintain specialized mailing lists that may be of interest to you.

In some instances, there may be real benefits in delivering the brochures yourself or having a staff member deliver them for you. This is especially true when delivering to complementary businesses in your area, or to local travel information centres. A personal delivery can be used as a "sales" call. It might also turn up cooperative promotion opportunities. And it is good public relations.

Exhibit 15
Extracted from "Guidelines for Literature Distribution"
(To Assist Tourism Operators in Nova Scotia
Product Brochures That Are Recognizable and Effective)

Distribution of Private Sector Literature

Through Tourism and Culture's Distribution Centre, private sector operators of businesses in the tourism industry may have their own tourist literature distributed free of charge to a maximum of 40 accredited Visitor Information Centres.

Operators must select what Visitor Information Centres (VIC) they want to receive their brochures and what quantity for each selected centre. The Distribution Centre will only distribute to a maximum of 40 VIC's. Therefore it is recommended that operators personally distribute their brochures to VIC's in their area and work with their regional tourist association.

It should be pointed out that after the Visitor Information Centres have opened for the season, private sector brochures cannot always be distributed as soon as they are received by the Distribution Centre. They may be held until a sufficient quantity is in stock to make a delivery economically feasible. A lead time of approximately three weeks should be allowed to get the brochures to the centres.

As the volume of printed material received and handled by the Distribution Centre and Visitor Information Centres is continually increasing, we have established the following guidelines. We hope that these guidelines will help us distribute your literature and make it more appealing to the travelling public.

- All fixed roof accommodations and campgrounds must be inspected and licensed by Tourism and Culture before the brochure will be distributed.
- Brochures must be bundled in lots of either 50 or 100. This will enable distribution staff to quickly make allocations. Literature not bundled will not be accepted.
- On delivery, all shipments must include the allocation sheet showing the number of brochures in each carton, the total number of cartons, and the total number of brochures. Large books or papers not sent in cartons must be bundled and strapped both ways and be in bundles of equal amounts.
- Brochures will be received at the Distribution Centre at 10 Acadia Street, Dartmouth, N.S. Hours of operation are 8:30 a.m. to 4:30 p.m., Monday to Friday. All shipments must be prepaid. We cannot accept bus shipments as we have no pick-up from the bus depot.
- Maximum weight of cartons that will be accepted is 35 pounds or 15 kg. The maximum quantity is 5,000 pieces, although we recommend a lesser quantity to reduce your costs and the possibility of unused brochures. This lesser quantity must be at least 500 and there is a minimum quantity for VIC's of 50.
- Distribution will be made according to your selection. Please make sure that the amount you allocate agrees with the total that you send in to Distribution.
- Brochures may be displayed on a **rotational basis** because of space limitations and regional priorities for literature.
- Posters will be accepted for distribution, but they should not exceed 18 inches (46 cm) in width and will be folded at least once so they can be shipped in cartons. If operators do not want their posters folded, they must supply their own tubes. Display of posters will depend on availability of space in each centre. Handwritten posters will not be accepted.

Exhibit 15 cont'd
Extracted from "Guidelines for Literature Distribution"

(To Assist Tourism Operators in Nova Scotia
Product Brochures That Are Recognizable and Effective)

- Brochures will be reviewed by Tourism and Culture. They must give a clear and accurate representation of the facility. They must meet the requirements of the Human Rights Act.
- Only tourist-oriented brochures will be distributed. Brochures primarily of local interest may be displayed in Nova Scotia Visitor Information Centres. Arrangements should be made through the Supervisor of the individual centre. However, all materials displayed in Nova Scotia Visitor Information Centres must be approved by Tourism and Culture.
- Religious brochures may be distributed if they contain only the location of the church and time of worship. Exceptions may be made in the case of a church containing a museum or a church recognized as being of an historic nature.
- Because space is limited at the Distribution Centre we ask that you contact Tourism and Culture, Distribution Centre Warehouse, at (902) 424-4544 with the estimated delivery date and quantities.

8.9 Other Collateral Material

You may, depending on your type of business, also have a variety of other collateral material, such as:

- Conference/meetings package describing your conference rates, room sizes and capacities, menus available and other special services you have available for conference groups;
- Groups/functions package describing menus, room rental rates, special features and services;
- A travel trade information package describing your travel trade policies and rates;
- Posters;
- Counter cards/displays;
- Package leaflets/brochures.

The same design principles that apply to brochures are also valid for these other collateral materials.

SECTION 9

Direct Sales (Personal Selling)

SECTION 9

DIRECT SALES (Personal Selling)

Personal selling is, in most industries, one of the most effective ways of securing business. It allows you to respond to an individual customer's needs and interests; to deal with any questions that may arise; to expand on your product's benefits in areas the customer finds particularly intriguing; to overcome any resistance or objections; and to secure a commitment to buy.

Direct sales is an important technique for Nova Scotia's tourism businesses in several important instances:

- In selling to tour operators. As we will discuss in the section on marketing through the travel trade, it is a key technique in developing this market.
- In selling to companies and other organizations;
- In selling to meeting planners;
- In getting travel agencies to feature your products;
- In securing group bookings from clubs and other organizations;
- In getting local businesses to refer business to you.

However, personal selling is also time-consuming and expensive. As a result, it is generally confined to the foregoing markets – in other words, to those customers who are likely to yield a significant volume of business.

9.1 The Personal Selling Plan

A personal selling plan requires you to identify the organizations that represent your best prospects for additional business, and to estimate the amount of business that you might expect from each one.

When developing a personal selling plan, you should first "qualify" your prospects - in other words, determine whether they are good prospects that are very likely to give you business, or merely "possibles." Your selling time and effort should be planned so that it is matched to the quality of the prospect.

Sales call reports should be used to keep up-to-date information on each of your prospects. Among the information you record should be the following:

- Name of the contact person
- Address
- Email address
- Telephone number

- Job title
- Likely amount and type of business that may be available
- Special requirements (if any)
- Past responses to sales calls
- Information on past business received from them
- Follow-up date

The sales call reports are best filed according to the date of the next follow-up. Exhibit 16 shows an example of a simple prospect recording system.

9.2 Selling Techniques

Effective selling does not, of course, require a loud suit, an overly friendly manner or high-pressure techniques. What it does require is a belief in the product or service you are selling, and an ability to communicate its benefits in a convincing way.

Probably, the most important principles of effective selling are:

- Pre-plan each sales call.
- Cover the key points in a logical sequence.
- Get to know your prospects and their needs. Your presentation should appeal to the self-interest of your prospects. It should be focussed on their needs, not yours.
- Have a reason for each sales call. Do not just make periodic contacts to fill a sales-call quota.
- Really know your product. Make sure you have a detailed knowledge of all the facilities and services you are selling, particularly those that are likely to be of greatest interest to your prospects.
- Know the competition thoroughly. This will help you play up the advantages of your product or service, and it will allow you to counter any moves your competition is making.
- Always introduce yourself. Do not rely on a prospect remembering who you are.
- Get to the point quickly. Do not waste too much time making conversation, unless a prospect makes it clear he wants to do so.
- Show respect and courtesy, and make your prospects feel important. Never show a superior attitude.

Exhibit 16
Sales Call Report

Follow-up Date:

By:

Company Name:

Contact:

Title:

Address:

Telephone No: **Email Address:**

Phone: **Visit:** **On-Site:** **Trade Show:**

New Contact: **Renewed Contact:**

Past Business:

Prospective Business:

Follow-up Action Required:

Follow-up Results:

- Pace the presentation to suit your prospects. Be sensitive about when to talk, when to listen, when to push, when to back-off, when to speed up, when to bring a prospect back to the topic, and when to close a sale.

- Listen...listen...listen. Most successful salespeople agree that prospects prefer to buy rather than be sold. When a prospect wants to talk, keep quiet and listen.

- Always ask for the business. You should not leave it to your prospects to make an offer to buy.

- Leave when the call is over – especially if you have made a sale. Either close the sale or determine how you are going to follow-up.

- Record the sales call and set a follow-up date.

If you do not make a sale, ask the prospect for a date on which he can be contacted for a decision. If the prospect is indecisive, avoid pushing for a final decision. Instead, consider inviting him to visit or try out the product or service you are selling.

9.3 Demonstration Materials

The most effective way to reinforce a sales message is by demonstration. The memory retains visual impressions more easily and much longer than verbal ones.

If you are selling food and lodging facilities; take along floor plans of the accommodations, and (if appropriate) suggested layouts and menus for meeting and banquets. If you are selling a restaurant, you should carry sample menus.

Also, use photographs as much as possible, making sure they are logically organized so that prospects can get a clear mental picture of what you are telling them.

And, of course, don't forget to take – and leave behind – a copy of your brochure, or any other appropriate sales aids.

9.4 Market Intelligence

One of the most important duties of any sales person is to provide feedback to management on what is happening in the marketplace. Owners and managers should conduct regular debriefings.

9.5 Training Salespeople

A lot of sales training programs are of the "sink or swim" variety. People are sent into the field and left to learn by their mistakes. For obvious reasons, this is generally inadvisable.

If you plan to train your own salespeople, make sure that you fully inform them on such topics as:

- Your business, its organization and its history
- The facilities, services, packages and programs you offer

- The unique selling points of your product
- Your target markets, including their location, characteristics and needs
- Company policies
- The characteristics of competitors and their products
- Demand-generators that can enhance your product or your business opportunities
- Any relevant regulations – both company and government ones
- The function of the company's sales force
- Management expectations of individual sales performances

It is also useful to have new salespeople work briefly in different areas of your business, so they can develop a better appreciation of the operational side. Also, new salespeople should initially be accompanied on sales calls by a member of management or an experienced sales representative. This will give them direct exposure to effective selling techniques and, incidentally, it will sharpen the performance of your experienced sales representatives.

SECTION 10

Other Important Marketing Methods for Nova Scotia Tourism Operators

SECTION 10

OTHER IMPORTANT MARKETING METHODS FOR NOVA SCOTIA TOURISM OPERATORS

In addition to the traditional marketing activities, Nova Scotia's tourism industry has a number of additional means of promoting their products. The major ones are discussed below.

10.1 Visitor Information Centres

Your brochures and other collateral material can be distributed through visitor information centres in the province, including local community ones, as well as the provincial centres.

Make sure your local visitor information centre is well supplied with brochures and that the people who work there know all about your product. You may want to take the travel counsellors on a tour of your property in the spring so they have first-hand experience with your product.

You can supply the provincial Distribution Centre with a stock of your brochures for distribution to a maximum of 40 accredited Visitor Information Centres in the province. At the time of preparing this guide, this service is provided free of charge. All you have to do is supply the brochures and indicate where you would like them distributed. There are some guidelines for this program, which were provided in the previous section of the manual.

Take care to think about which VICs could generate the most business for you and to decide on how many brochures you want to distribute this way. Many VICs have only limited shelf space so it may be that not all brochures are displayed all the time. And, there is lots of competition for the travellers' attention at VICs. Brochures are expensive to produce and you do not want to waste this investment.

10.2 Other Businesses

Local non-competing businesses that cater to tourists should be supplied with your brochures, if they will agree to display them. Again, it is important to make sure that these operators are well-acquainted with your business. You may want to invite these operators to visit your business and perhaps offer them a commission for any business they send your way. Offering to refer business to them as well may be all you need to do to get their cooperation.

You might also arrange with these businesses to display posters and/or counter cards in their reception area and include your brochures among the information they provide to their customers.

Often this arrangement is one of "cross marketing" in which each operator agrees to promote the other, through display of brochures, reciprocal web links or other such initiatives.

In any event, it can be very worthwhile to build relationships with other businesses, both in your local area and elsewhere in the province, which can then result in referrals of business to you. These can be either through informal contact and networking, or through associations such as the Nova Scotia Bed & Breakfast Association.

10.3 Check In

Check In is the provincial information and reservations system. It provides a toll-free number to consumers looking for information about Nova Scotia and also makes reservations for travellers. If you are a licensed accommodation operator, you should participate in the Check In reservation system. You will be charged a commission (10% in 2006) for all room bookings that you receive from Check In. Contact Check In for detailed information on how the system works and what you have to do to participate.

Check In also operates the T.I.P.S. system which includes information on a wide range of tourism -related businesses, festivals and events, adventure tourism operations, community attractions and facilities. It is up to you to provide Check In with information on your business, and to keep them up-to-date if you make changes or want any special feature or event noted in your information. Check In does attempt to update the information in the T.I.P.S. system annually by phoning all of the contacts in their data base, but the initial step of making sure your business is included in the system is up to you.

The advertising done by the Department of Tourism, Culture and Heritage contains the toll-free number for Check In, so they process a large volume of enquiries. Check In handled over 375,000 calls for literature requests in 2006, and 35,000 reservations requests.

10.4 Provincial and Regional Travel Literature

The Province of Nova Scotia, through the Department of Tourism, Culture and Heritage, produces and distributes a variety of travel literature and this material affords an excellent means of reaching potential customers. Basic listings in some of these publications are free of charge; for others there is a charge depending on the size and type of advertisement you want to place. Even where there is a charge, this is a very cost-effective advertising method, since hundreds of thousands of these publications are produced and distributed widely, both in response to enquiries, as well as to people travelling in the province.

The main provincial publication in which you should advertise is **The Complete Guide for Doers' and Dreamers'**. The guide will be available in both a printed version and on a CD. It is distributed to potential visitors as fulfilment to inquiries resulting from the provincial website, www.novascotia.com, from advertising campaigns, at travel shows, through VICs and travel agents. In 2006, the provincial website received some 2.4 million visitors and 690,000 downloads (an increase of 13% from 2005). As discussed in Section 6, any tourism businesses that are in the Doers' and Dreamers' also receive a listing on www.novascotia.com and are asked to provide a reciprocal link on their website. Businesses can also purchase advertising on the provincial website.

Information in this guide is organized by the various Travelways in the province, and you can buy an ad to be placed in the section on your Travelway. If you are a licensed accommodation operator, attraction, or campground, you also qualify for a listing in the section for your trail. One thing to remember about this guide, as well as other provincial publications, is that the deadlines for material are very early – usually in late July for the next year's publications. Contact the Department of Tourism, Culture and Heritage for detailed information and prices.

There is also a French-language travel guide, **Du rêve à l'aventure**, published for the first time in 1999. As well the province publishes a number of other publications from time to time. You should check on the Nova Scotia Tourism Partnership Council's website (www.nstpc.com)for current information on what publications are available in which you can advertise, as well as details on costs and deadlines.

You should definitely become a member of the regional tourism industry association in your area (see Appendix I for contacts). They also produce travel guides for each region of the province. These are distributed through information centres and in response to direct requests. As with the provincial guides, they are a very cost effective method for advertising your tourism business.

When you are planning to advertise in guides and in magazines, you may find it useful to get information from the Print Measurement Bureau. The PMB is Canada's leading syndicated study for single-source data on print readership, non-print media exposure, product usage and lifestyles. The PMB Study measures the readership of about 80 publications, based on a sample size of some 20,000 Canadians. Similar measurement studies are available in the United States.

10.5 Signage

It is important to have good signage for your business, not only to tell potential customers about your business but also to help them find you. You should definitely have a sign right on your property, at your entrance way or on your building. Your local municipality may have some guidelines and by laws that impact on the type and size of signage that can be erected.

The Department of Transportation and Public Works has a number of regulations that relate to signage for tourism businesses, including both off-premise signage and on-premise signage. Programs for off-premise signage (for 100 series and controlled access highways only) include:

- Major Tourism Attraction Signage Program
- Service Symbol Signage
- Business Logo Program

For further information on these programs, contact the Department of Transportation and Public Works or visit their website at www.gov.ns.ca/tran/highwayops/sign.asp or, for information on the Major Tourism Attraction Signage Program, visit the Department of Tourism, Culture and Heritage's website at www.gov.ns.ca/dtc/tourism/tourism_signage.asp.

There are no provincial policies in place as of Spring 2006 regarding the placement of advertising signage within the right-of-ways of secondary roads. Business operators are advised to contact their local municipality regarding policies for advertising signage along public roads.

Whatever signage you put up, it must be of good quality and meet provincial and/or municipal regulations. Small, hand-lettered, falling-down, and hard-to-read signs do not suggest a quality

operation. Search out a local artist or sign maker to design and build some quality signs for your business.

Make sure that whatever you put on the sign is brief and informative. Be careful not to put on information that might change frequently.

10.6 Public Relations

Public Relations (PR) deals primarily with non-paid communications of your product or business that is targeted at your markets, your local community, or the tourism industry itself. The purpose is to improve the image of your business and establish it as a valued member of the community. In doing so, the chances of getting referral business are significantly increased.

Key elements of public relations include:

- Advertising in local media.
- Joining service clubs, community groups, sports organizations, regional and provincial/territorial tourism/trade associations, and so on.
- Supporting and sponsoring local activities, events and attractions.
- Buying your supplies and services locally.
- Cooperating with local authorities.

As with all other components of your promotional mix, your public relations must be well thought-out and planned in conjunction with your other promotional activities.

10.7 Media Relations (often referred to as Publicity)

Publicity is the way you keep your business in the public eye without having to pay for advertising. To that extent, it is "free", so it can be highly cost-effective. However, the main reason it works is that it usually has more credibility than does a paid message.

However, good publicity doesn't just happen. It has to be carefully planned. Also, it must be made to fit in with, and endorse, your other promotional activities.

The best ways to get publicity in the media are to:

- Stage news events. These events should, of course, involve your product or service. But they should not be trivial or gimmicky. Instead, they should be of a genuine interest to your community.

- Issue press releases, announcing either "spot" news or scheduled news (for example, the appointment of a new manager, announcement of a new service of facility, and so on).

As a rule, press releases should be prepared in advance and distributed simultaneously to all your target media. Keep the release short, punchy and factual. Date it; type it double-spaced on one side of the paper; put your name and address at the top; and give the name and telephone number of a contact person.

SECTION 11

An Introduction to Packaging for Tourism Operators

SECTION 11

AN INTRODUCTION TO PACKAGING FOR TOURISM OPERATORS

11.1 The Rationale

A package is a collection of tourism products and services that are sold as a single product, in one transaction, at a single price. The idea behind packaging is to create and market a product that is customized for a particular target audience; or for a particular time period when additional appeals can help make sales.

A good package exemplifies the marketing concept we discussed in the Introduction - a product that is designed from the customer's standpoint. A good package is built upon appealing experiences for the customer.

Packaging has become an integral part of tourism marketing in recent years since it generates significant benefits for the customer as well as the tourist operator.

Some people view packaging as being about discounting the price, but that is only one of the options; what it is really about is offering a complete experience at a good value price, and making it easy and convenient for the customer to buy. Savings can be part of it, but added value is perhaps more important and often can be more effective in generating sales.

11.2 Benefits to the Customer

The customer receives compelling benefits:

- **Travel Planning is Easier and More Convenient**
  Packaging makes it much easier for customers to plan and arrange a trip. They can buy a complete experience, including all of the necessary services, in a single transaction.

- **Savings and/or Added Value**
  Purchasing a package is usually, though not always, cheaper for the consumer than buying all of the elements individually. The packager can usually negotiate to purchase the separate components of the travel package from suppliers at a discount because they are buying in volume and taking over some of the responsibilities for selling. If some of these savings are passed on to the customer, then the overall package will be cheaper than buying the components separately.

  A good package will also offer some value-added features, things that might not be

available to non-purchasers, preferably things that help with its sales appeal. (Adding value rather than simply discounting the product makes it possible to maintain a better price for the core elements in the package. It also makes it possible to sell packaged products at higher prices and with higher overall revenues during peak periods).

- **Quality Assurance**
  Packages give customers an extra level of assurance as to the quality of what they are purchasing, since, presumably, the packager knows the destination well and can design a superior experience for the customer.

11.3 Benefits to the Operator

What can packaging do for the tourism operator? There are several benefits:

- **New Markets/New Reasons to Buy**
  Packaging makes it possible to attract new markets, markets which might not normally purchase your product, and thereby increase revenues. A package basically gives consumers new and different reasons to come.

- **Develop Business in Slower Periods**
  This is done by offering economical packages centred on special events, entertainment or special programs or activities during periods when there is normally not much business.

- **Reduction of Marketing and Promotion Costs**
  Tying a number of products together in a package creates an opportunity for cost-efficient, cooperative marketing, with each tourist operator participating in the package contributing to the cost of advertising and promotion.

- **Increase the Marketability of your Product**
  Packaging makes it possible to increase the marketability of your product by having it "piggyback" on other demand generators in your community when these local attractions and activities are built into the package.

11.4 Keys to Successful Packaging

Successful packages are ones that offer unique, appealing experiences for purchasers, along with good value. Tourism today is very much an experiential business, and *a well designed package has the marketing advantage that it is built around outstanding experiences.*

There are several key principles associated with packaging that tourism operators should keep in mind when developing a package:

- Careful planning and sufficient lead time are vital to make sure the package is trouble-free and has time to sell;
- Include "demand-generators" – appealing experiences and activities;
- Ensure that the package is complete – all necessary services should be included;
- Schedule activities at a comfortable but appropriate pace – not too much, not too little;
- Offer a benefit or a bonus – savings and/or added-value features;
- Price the package competitively;

- Ensure that individual package components are compatible;
- Keep quality consistent;
- Give attention to the details;
- Provide customers with maximum flexibility;
- Arrange group packages and group booking systems to ensure there is some customer compatibility;
- Keep customers fully informed – especially where changes are necessary;
- Establish a fair refund and credit policy;
- Make sure that the package is profitable.

11.5 High Season/Low Season Strategies

In high season, the strategy for packages should be to maximize yield. The focus should be on developing new markets that are prepared to pay full rates and allow you also to earn a mark-up on additional features and services. You want more dollars per booking than you would normally get.

In the low season, the strategy is to increase occupancy or demand for your business. The focus is also on developing new markets, but discounts and savings are used to offset weak demand for your regular offering.

11.6 How To's - Planning and Design

There are seven steps to developing a package. The first five are discussed here. The other two - pricing and quality management, have subsections of their own that follow this one.

1. Setting your objectives for your packaging program

Objectives can vary from one package to another as well as for each partner involved. Your objectives might include some or all of the following:

- Enhance the customer's experience;
- Develop new markets;
- Increase length of stay;
- Improve repeat business;
- Increase business in off-peak periods;
- Increase yield in peak periods.

2. Assessing your local special interest activities, attractions and services

It will be important to inventory the appealing experiences and attractions in your community and region that might be built into a package and help maximize its selling power. You should also assess your own product to identify facilities and services to feature in your package.

3. Undertake a market assessment

You will need to have a good understanding of your existing markets and the additional markets you might target for the package. To get ideas on what kind of package will sell, you might talk to your current customers, perhaps administer a customer survey and research packages offered

by your competitors and other businesses. You might also gather and study brochures on successful packages offered at other destinations.

Ultimately, you want to know who your customer is likely to be, what they are interested in or looking for. Surveys of your customers is one method of developing these insights, another is researching travel market trends to see what motivates people in today's marketplace. In this regard, here are the features of successful tourism products in the 2006 marketplace:

- Well themed
- Authentic
- Enriching, educational
- Entertaining
- Hands-on
- Accessible
- Value-added
- Exceeding expectations

4. Designing your package

First and foremost, it is important to develop a package concept that will appeal to and meet the needs of the market segment you wish to pursue. Here are some suggestions.

Develop a List of Ideas

The basis for this list will come from your research and your inventory of packageable features in the community. The approach should be to first identify the core appeals, activities and attractions on which the package is to be based. Then you will address the need for the various services required by customers buying the package.

Selection of the Package Theme

Having a theme for a package will increase its marketability by reinforcing its appeal to the target markets. The package theme will be expressed in terms of the name of the package, the promotional text in your ads and in the brochure – all designed to strengthen the image of the experience being offered.

For example, an outdoor adventure package might have an ecotourism theme – appealing to people who would enjoy the outdoors and also have an interest in environmental conservation. Sea kayaking might be combined with the study of sea life, led by a knowledgeable guide, and accompanied by a talk from a biologist. The idea is to combine experiences and appeals that work well together to provide an excellent overall experience, and that complement one another under a theme having a unique and distinctive character.

Market Positioning for the Package

The theme will help establish a market "positioning" for the package, differentiating it from other packages in the market. It is important to position your package in the marketplace so that its unique appeals catch the attention of the right customers – the customers you are targeting.

In this respect, thought in planning should be given to the following, in the context of the market you are targeting:

- Economy versus deluxe – economy typically suggests motels versus downtown quality hotels, fewer meals and only the very basic and necessary ingredients;

- The "unique selling proposition" offered to potential customers; basically, the package theme and its unique appeals and experiences which are relied upon to sell the package;

- The differentiation of the package against other options in the market;

- The value-added features of the package which will add to its appeal.

With all of the foregoing in place, the package should have a competitive advantage in the marketplace.

Determine What to Include in the Package, and What to Leave Out - Features of a Good Package

With a full list of potential package elements, the theme of the package in hand, and the market positioning established, it is time to select the features for the package. It is very important when going through this selection process to avoid choosing package elements based on your own "likes" and "dislikes." Elements of the package should be chosen according to the best fit with the target market. They should:

- Be consistent with the theme and the market positioning strategy
- Be appropriate to the expectations of the market being targeted
- Contribute to the unique selling proposition and help differentiate the package from competing packages in the marketplace
- Offer good value to the customer
- Add to a quality experience
- Be complete – all the necessary features and services included

Considerations about what to include and what to leave out are presented below:

Core Experiences:

- *Attractions and Activities*
  Include attractions that are complementary to the theme and the central experience. These are normally a central feature of any successful package, but they need to be the kind of experiences that are appropriate to its theme and the market positioning. You may also want to consider including other local attractions in your package, but only if they complement the experience. Don't put it in just because it's there.

- *Special Interest Activities*
  Include these if they are important demand-generators or are central to the theme of your package. Offer them as options, if they are not.

- *Experiences That Reflect the Culture and Heritage of the Destination*
  Market trends indicate that visitors are interested in experiencing the culture and heritage of a destination. An evening of local entertainment or storytelling are the types of activities that might be of appeal, even to markets who are participating in unrelated activities.

Support Services:

- *Equipment Required by Customers*
  Canoes, tents, safety gear, etc., if customers are unlikely to bring their own. Otherwise, make equipment an optional extra. Clearly define in your marketing materials what customers are to bring themselves and what you will supply.

- *Special Services*
  Guides, interpreters, drivers, escorts, etc. need to be included for groups and group activities. An independent, self-guided package would not include them. Make sure the staff are well trained for their jobs and in hospitality skills.

- *Inter-City Transportation*
  Include this if you are offering a group package or if one particular mode of transport – the one you would offer – gives your customers a price or time advantage. Otherwise it should be excluded or made an extra-charge option.

- *Local transportation*
  Local transfers are usually included if the package also includes inter-city transportation; basically, if the customers are without their own car.

- *Accommodation*
  Accommodation is a basic component for most packages, so it should be included, unless, of course, the package is intended to be a day package.

- *Meals*
  Meals should be included if there are few or no quality choices available in the immediate area. However, even if there are choices of restaurants available, it is still generally a good idea to include at least one meal, especially if it enhances the package. But beyond that, meals in these cases should probably be left out of the package to give your customers flexibility and choice.

- *Drinks*
  Alcoholic beverages should not be included unless they are part of a special event (for example, a welcome cocktail party). Non-drinkers will resent paying for "free" drinks.

- *Taxes*
  These should always be included; otherwise, customers will feel there are hidden "extras."

- *Gratuities*
  Generally, it is a good idea to include gratuities on included package items, since customers will not be paying directly and will rarely tip in these circumstances. You want to ensure that your customers get quality service.

- *Extra features*
  This might include a souvenir or memento, savings, discount coupons, etc.

It is important to think through all of the likely needs of the customer purchasing the package and make sure that the key services they will require are included. Things that are not essential but may be of interest should be offered as optional add-ons or listed as suggestions to the customer.

5. Negotiating with suppliers and partners

Suppliers selected to be included in the package effectively become partners in the package. You will have to negotiate prices with them – some may have an existing schedule of discounts and commissions, which may be sufficient. In other cases, you will want to negotiate the best price possible for each element so as to be able to price the package competitively and to maximize your own bottom line profitability. Remember that your partners will benefit from the package as well – you will carry the marketing and sales administration costs. Also, the package may provide them with business in their slow period, so they should be prepared to "sharpen their pencil."

11.7 Pricing the Package

Pricing packages for groups differs somewhat from the method used for independent packages, although the principles are the same. This is where some people get confused when putting their package together. It bears close attention.

In general, package pricing can be undertaken using the following steps. The approach requires first determining the cost per person, than adjustments are made for couples, families, etc.

Exhibit 17 presents a useful worksheet.

Step 1: Calculate Total Variable Costs Per Person

The first costs to be addressed are those that attach to individual customers, or "variable costs." These costs would be meals, accommodation (usually one-half the double occupancy rate, if the rate is based upon two persons per room), attraction admission fees and other costs normally incurred on a per person basis.

Add the net per-person costs of all variable cost package components at the rates quoted by their suppliers, net of all commissions and discounts. Varying rates for children, retired mature travellers, singles, third persons per room, etc. should be noted, as should seasonal variations.

Don't forget details like taxes, baggage handling and gratuities.

Step 2: Calculate the Fixed Costs Per Person for a Specific Package Departure/Date

The second category of costs contains those that, when customers are served in a group, will not vary for a particular individual, but do vary for each package occasion. These costs could include a motorcoach charter, the services of a guide, guest speaker, and so on.

This analysis will apply only to packages in which groups of people will participate together. Completely independent packages need to have all costs assessed on a per-person basis and treated in the fashion described in Step 1.

First, add together the fixed costs for a specific departure or package date, then divide the total fixed costs by, say, 60% to 70% of the number of people expected to buy the package. By using a percentage less than 100, you reduce the risk of loss caused by lower-than-expected package sales, and you increase the chances for extra profit if the package is a success.

Exhibit 17
Pricing Worksheet for Packages

Pricing Worksheet for Package:_____

Page #1: Variable Costs Per Participant		
	Retail Value per Participant	**Net Cost Per Participant (1)**
Attraction/Experience #1		
Attraction/Experience #2		
Attraction/Experience #3		
Meal		
Refreshments		
Souvenir/Gifts/Guidebook		
Other_____		
Other_____		
Tax on taxable items		
Total Variable Costs		

Notes:

(1) This is the discounted rate you negotiate with the supplier. If there are significant variations in the costs in different seasons, it will be important to do this analysis for each season and then average the resulting cost.

Exhibit 17 cont'd
Pricing Worksheet for Packages cont'd

Page #2: Fixed Costs Per Departure			
	Cost Per Excursion	**Capacity - # of Participants**	**Allocated Cost Per Participant (Based on Capacity)**
Motorcoach/Van			
Driver			
Guide			
Other Experts			
Other _____			
Other _____			
Tax on taxable items			
Total Fixed Costs			
Estimated Load Factor (Average Percentage) ***(1)***			
Grossed Up Cost per Participant ***(2)***			

(Shaded areas are not used for the calculations)

Notes:

(1) Estimate what percentage of the capacity the tour will operate at, on average.

(2) Divide the allocated cost per person by the load factor (as a decimal point) to estimate the grossed-up cost per participant.

Exhibit 17 cont'd
Pricing Worksheet for Packages cont'd

Page #3: Overhead and Marketing Cost Allocation					
	Cost Allocated to this Package	**# of Departures**	**Cost Allocated per Departure**	**Capacity - # of Participants**	**Net Cost Per Participant**
Marketing					
Other Overhead					
Subtotal Overhead Costs					
Load Factor Gross up					
Grossed Up Cost Per Participant					

(Shaded areas are not used for the calculations)

Page #4: Total Costs, and Proposed Price Per Participant	
	Grossed-up Costs Per Participant
Total Variable Costs (From Page #1)	
Total Fixed Costs (From Page #2)	
Total Overhead & Marketing Costs (From Page #3)	
TOTAL VARIABLE, FIXED & OVERHEAD COSTS	
Gross-Up Factor for Profit	
PROPOSED PACKAGE PRICE	

If there is significant uncertainty as to the numbers of customers on given departures, it may be necessary to use a lower percentage of, say 50%. Remember, however, that using a lower percentage will increase the price of the package.

Step 3: Calculate an Allocation for the Package's Marketing and Share of Overhead Costs on a Per-Person Basis, for the Program as a Whole

The third category of costs is the share of the marketing costs and business's overhead costs to be allocated to the package. (For low overall demand periods, it is appropriate to allocate a lower level of these costs, to be able to offer a real saving to customers, while still earning a reasonable contribution towards these costs).

Calculate the package's marketing and share of overhead costs, and then (as in Step 2) divide by 60% to 70% of the total number of customers expected.

In this instance, the costs are to be amortized over all of the dates/departures for the package, or the packaging program as a whole.

Step 4: Calculate Total Package Cost on a Per Person Basis

Add together the per-person costs calculated in Steps 1, 2 and 3, to arrive at a total net package cost per-person.

Step 5: Mark-Up Total Package Costs to Cover Commissions and Provide a Profit

Mark up the total per person costs to cover travel agent and tour operator commissions (if applicable) and, of course, your profit.

Commission margins will vary depending on how the package is to be sold. If it is to be sold directly to consumers, you may not need a margin for commissions. However, if you are going to sell through travel agents, you will have to provide for a commission of 10% or more. Tour operators will need a margin of 20% to 25% or more.

If a mix of commissionable bookings; or a mix of commissionable and non-commissionable business is expected, you will need to calculate a weighted average commissions allowance, based on the expected proportions of sales.

Profit margins on the package should probably be in the 5% to 15% range. This can vary depending on the objectives for the package and the season. If the package is being developed to build business in slow periods, then a lower percentage might be appropriate compared to that for a high season, where you want to maintain a healthy profit margin.

The total package price per person is therefore:

Total Variable Costs Per Person

+

Total Fixed Costs Per Person

+

Share of Marketing and Overhead Costs Per Person

+

Commissions and Your Profit Per Person

Step 6: Calculate Selling Prices for a Full Range of Customers

To calculate your selling prices for the full range of your customers, you have to adjust your total package price per person, so that you can offer rates for singles, third and fourth persons sharing accommodations, children, people travelling off-season, retired mature travellers, group bookings, and so on.

Appropriate reductions and extra charges will have to be negotiated with all component suppliers, and these should be taken into account when calculating your range of selling prices.

It will be important to establish a range of prices that, on average, based on the expected mix of business, provides you with the average profit targeted in Step 5.

The acid test of package pricing is whether the customer will be able to buy the package for less than the aggregate retail value of the included elements and services, which is a fundamental requirement, since consumers expect to accomplish savings by buying a package. This means that you have to cover all of the marketing and overhead costs, as well as the commissions and profit margin, within the discounts obtained from the various suppliers involved, and still pass on a saving. This is a significant challenge, and will require a dedicated effort to accomplish.

11.8 Quality Management

Quality control in planning and managing your package is vitally important. Your best intentions and a well-conceived package concept are not adequate in themselves to ensure a satisfactory customer experience. Many things can go wrong. What is required, therefore, is a quality management program consisting of six elements:

- Careful and thorough planning and negotiations with package suppliers directed at arrangements for coordination, management and problem solving;
- Contingency arrangements where appropriate;
- A management process within your own operation to coordinate arrangements and to deal with problems;
- Communications with the customer;

- A generous policy for refunds and credits;
- Tracking results.

11.9 Marketing Packages

A package needs its own marketing support, as well as being featured in your regular marketing programs. Remember that the package has its own unique appeals and its own target markets, which may be different from your regular markets.

We recommend that you develop a marketing plan and budget for each package offered.

Your packaging partners can also become your marketing partners. They could agree to contribute some money to the marketing program and also include the package in their own marketing activities.

Also, your local chamber of commerce, or your regional tourism industry association might potentially assist in the packaging project and include the package in their own marketing programs. The provincial tourism website (www.novascotia.com) has a section on packages and there is an on-line system to allow you to maintain your own on-line packages and special offers on this website. For information, go to www.novascotia.com/partners/.

SECTION 12

Marketing Through the Travel Trade

SECTION 12

MARKETING THROUGH THE TRAVEL TRADE

All tourism business marketing programs are constrained by limited budgets. This, in turn, forces operators to limit their marketing, usually to local and regional markets, and to very affordable programs. You may have the greatest product, but if you're not a large operator with a large marketing budget, how can you make the world know about it?

There is one way, and that's getting the travel trade to sell for you. That can be accomplished by convincing them to add your product to their tours and/or packaged products, and thereby have it promoted through their marketing system.

12.1 The Travel Trade

The travel trade is comprised of all of the travel intermediaries between the consumer at one end and the travel product supplier at the other. It also includes businesses that develop and market tours and packages. The travel trade includes:

- Travel agencies – retailers of travel products – traveller services, tours and packages;
- Tour operators: companies that develop, operate and market tours and packaged tourism products;
- Receptive operators: local tour operators who operate local tours and provide services to other tour operators and other group travel organizers.
- Others:
  - Group leaders
  - Airlines
  - Wholesalers and brokers
  - Travel clubs and affinity organizations
  - Incentive wholesalers
  - Internet-based package marketers

12.2 The Benefits of Working with the Travel Trade

Selling your product in partnership with tour operators and others in the travel trade lets you expand into more distant markets that are not affordable for you to target on your own. In summary, the benefits include:

- Working with them opens up new, and much larger markets for your product.
- Tour operators have an established brand acceptance in their markets – with both consumers and travel agents, and they can sell very effectively as a result.
- Your risk of suffering from declines in business in your existing markets is reduced when you have more markets available to you.

But there is a cost – discounts of 20% or more from your normal prices.

Considering the cost of doing business with the travel trade, careful attention needs to be given to when and where you do so. Looking at the question strategically, the following will be helpful:

Direct to Consumer Marketing:

- Has to be cost-effective
- May be feasible where you're close to the market
- May be feasible where there's large potential
- Travel agents can help

Marketing Through Tour Operators:

- Different tour operators specialize in different markets, some geographically-defined, others by type of product
- Some are multi-product operators – others have specialties
- They don't sell your product, they sell their own – hopefully including yours within their product
- Your product has to fit with their needs and their quality standards

Marketing Through Receptive Operators:

- These include local receptives/ground operators and regional destination specialist receptives
- Local receptives provide local arrangements for outbound tour operators, meeting planners
- Regional receptives generally operate tours in a particular region for an outbound tour operator – except for air to the destination

12.3 Tour Operators and Their Products

Tour operators plan, develop, market and operate packaged travel and tourism products. They are in the business of designing and selling experiences to consumers.

Normally, they do not own or operate tourism establishments. Some, however, are transportation companies who also operate tours.

Tour operators strive for unique market positioning and product differentiation.

There is a multiplicity of tour operators: different types of tours, different market niches, different destinations, different "unique selling propositions," different positioning.

There are several general categories of tour operator and tour operator products:

- **Group tours**
  - motorcoach tours
    - scheduled
    - customized
    - hub and spoke/city tours
  - cruise/rail tours
  - specialty group packages

- **Independent tour packages** (often referred to as FIT packages - Fully Independent Tour - or fly-drive packages)

Most tour operators cultivate the support of travel agents, although increasingly they are selling direct through their website as well.

Travel agents like tour operator packages because:

- Selling these products is much less work.
- Tour operators usually pay higher commissions than transportation companies and hotels;
- Many offer incentive commissions, or overrides.
- There is a level of quality assurance in dealing with a reputable tour operator, providing comfort that their customer will receive good value, particularly when the agency staff do not have expert knowledge about a destination.
- The tour operator does the marketing for them.

Market and Product Trends in Travel Trade Products

The marketplace is constantly changing, and tour operators are typically active in adapting their products accordingly. Some important trends include:

- Independent travel packages are growing more rapidly than are group tours. In fact, group tours by motorcoach are seeing a decline, since they have traditionally appealed to seniors, and the modern senior, and particularly the aging baby boomer more commonly prefers independent or small group travel to the traditional motorcoach tour.

- Small group travel is a growth market, particularly for enhanced experiential packages, such as learning programs.

- Shorter tours, of a week or less, are outselling longer tours.

- Group travel is being modified by many operators to offer options and provide individual flexibility, and to offer independent additions to a tour.

- Independent travel is being modified by some operators to increase the range of included features so as to improve the savings to consumers.

- The growth in outdoor and soft adventure tourism is being reflected in corresponding changes to both group and independent packages. Seniors on motorcoach tours are going river-rafting (but on safe rivers!)

- These same trends are spurring a rapid growth in all sorts of niche or specialty tour operators.

- Other types of special interest packages are a big growth area as well: expedition cruising, learning holidays, culture tours, etc.

- Packages are being redesigned to add more authenticity - meeting "real" people, visiting seniors' homes, grain elevators or fish packing plants. Basically, packages are adding non-traditional features that genuinely represent the culture and lifestyle of the community and region. Talks by experts are being added to supplement visits to museums. Tour operators call these "lifeseeing" tours, as opposed to "sightseeing" tours.

- Group travel in the spring and fall is growing more rapidly than that in the traditional summer season.

- The destination and its attractions used to be enough to sell a tour. Now the means of travel is becoming equally important for some products.

- Air/coach tours are growing.

- Group leaders are playing a growing role.

- More tours are being sold through pre-formed groups, such as employees of companies, customers of companies, members of associations, etc. Custom packages for groups are growing at the expense of scheduled series tours.

- Local receptive operators and destination specialist receptive operators are growing in importance.

- The Internet has dramatically changed, and continues to change the way packages, and travel generally, are bought and sold.

- Package programming is becoming more participatory, in response to demands for more meaningful, experiential vacations that are both educational and fun.

12.4 Offer the Appropriate Commissions, Net Rates and Travel Trade Policies

A prerequisite to doing business with the travel trade is to offer the commissions and discounts that are normal in the trade. Without them, there is no opportunity for the travel agent or tour operator to recover their costs in doing business with you and in selling your product.

Offering commissions (a percentage fee for selling a product) and "net rates" (discounts from regular prices) is critical if your product represents a significant value, such as accommodation services and transportation. It is perhaps less critical for attractions and other products having very low prices.

The box provides a summary of the kinds of commissions and net rate discounts expected by the travel trade.

In addition to commissions and net rates, the travel trade expects the product/service supplier to maintain operational policies that they can work with.

The box below lists the kinds of polices and practices the travel trade expect.

Guidelines for Commissions and Net Rate Discounts

	Commission Rate	Net Rate Discounts
Travel Agent Individual Bookings Group Bookings	10% min. 20%+	
Tour Operators Low Volume High Volume		 20%+ 30%+
Local Receptive Operators *		25% to 35%
Regional Destination Specialist Receptives*		30% to 45%

*These discounts assume the receptive operator is working with an outbound tour operator. If they are marketing the product on their own, they become a tour operator themselves and the tour operator net rates apply.

Tourism Supplier Practices and Policies

- Availability of group and block bookings (preferably 18 months in advance)
- Reasonable or no deposit requirement
- Mutually acceptable procedures to review and adjust space blocks
- Mutually acceptable cancellation and refund policies
- Guarantees to deliver promised products and services
- Commitment to provide high quality service to travel trade clientele
- Free services for tour guides
- Provision of colour photography and sometimes marketing contributions as well

12.5 Selling to the Tour Operator

What do you do first? Selling to the tour operator can be time consuming and expensive, with no assurance of success. We therefore suggest you start with the things that are going to be most affordable but cost-effective as well, and then progress in stages, as budget and outcomes allow, with other initiatives.

Getting started with selling to the tour operator should involve the following, in approximate sequential order:

1. Link into the trade sales efforts of your regional and provincial destination marketing organization(s), including tour operator familiarization/educational visits
2. Develop promotional materials targeting tour operators
3. Develop a website page targeting tour operators
4. Attend selected travel trade marketplaces
5. Sales missions and sales calls to tour operators
6. Direct mail/email follow-up

We consider each of these in turn in this section.

Working with the Department of Tourism, Culture and Heritage and Your DMO or Regional Tourism Industry Association

Tourism operators interested in getting involved in travel trade marketing are well advised to contact their local/regional destination marketing organization to get their support and advice. You can also contact the Province's travel trade sales team for advice and assistance, and to learn about what they are doing in the area of travel trade sales and marketing.

Our provincial tourism department is a key player in the travel trade marketing network in Canada and internationally. They are active in selling directly to tour operators, in maintaining regular communications with them and in attending the various travel trade marketplaces. And they are often the first point of contact by tour operators seeking assistance with arranging for new product in Nova Scotia. As such, they are important 'partners' in your effort to develop travel trade business.

Destination Halifax and the regional destination marketing organizations in Nova Scotia are also important in the same way; however, their travel trade activities are usually more limited than those of the provincial government. For most tourism operators, and certainly the small independent operators, promoting their products through the activities of these organizations is the most cost-effective option available to them.

These organizations are normally the organizers of familiarization visits (known as 'fam' tours) for tour operators to check out the products available in Nova Scotia. It would be very beneficial to you if you can get them to include your product in the itinerary, as it provides a short but highly focussed opportunity for you to make your pitch.

Collateral Materials

You will need a one-page information piece on your offer to the tour operator for use in one-on-one meetings, along with some support materials, as follows:

- An information sheet containing the technical information required by the operator; including your travel trade commission/discount structure, your policies with respect to block bookings, deposits, cancellations, payment, etc.
- A brochure
- A follow-up mechanism, such as a mail-back card or website for more information (which can help in qualifying prospects for follow-up efforts)
- A good map, showing your location relative to key nearby cities
- A mileage chart, showing distances to key cities
- A toll free number and/or website
- The name and title of a key person to contact

Here's an important tip - sell the 'benefits', not just the features of your product. What is it that will enrich the tour customer's experience? What makes your offering special for the customer? Why is the tour operator better served with your product as opposed to someone else's?

Website Page for Tour Operators

The same kind of information should be provided on your website, on a special page/section designed for tour operators, with a button on the home page for tour operators to be able to go directly to that section.

Attendance at Travel Trade Marketplaces

Membership and participation in one or more of trade associations and attendance at their marketplaces can provide excellent selling and networking opportunities. The major tour operator marketplaces are:

- Rendez-vous Canada (RVC) - showcasing Canadian product to international tour operators
- Bienvenue Quebec
- Atlantic Canada Showcase (ACS) - showcasing Atlantic region product to North American buyers
- The National Tour Association (NTA) marketplace - the major international marketplace for North American tour operators
- The American Bus Association (ABA) annual meeting and marketplace - a marketplace for North American motorcoach tour operators
- The Ontario Motorcoach Association (OMCA) marketplace - the major Canadian motorcoach tour marketplace
- The United States Tour Operators Association (USTOA) annual conference and marketplace - another marketplace for tour operators
- The International Travel Bourse (ITB), Berlin - the major international marketplace for European tour operators
- The World Travel Mart (WTM), U.K. - the major British marketplace
- Spotlight – Canada's major UK marketplace

All of these marketplaces give you the opportunity to meet with tour operators and create better awareness among the travel trade about your destination and your product. But some of these marketplaces have limitations on how many sellers from a particular destination can attend; for example, Rendez-vous Canada and Atlantic Canada Showcase. Normally this is managed through the Tourism Division of the Department of Tourism, Culture and Heritage, so you need to work with them on this.

Just attending marketplaces by itself is very much a "hit and miss" situation, at best. If you can book appointments with a number of pre-qualified prospects beforehand, however, these marketplaces provide a mutually convenient meeting place and opportunity to present your product appropriately.

Study the operator's product mix, market positioning and USP's (unique selling propositions) before meeting with them, and focus your presentation on how your product might fit into their program and the advantages you can offer to their packaging or tour program.

Make sure that your sales representative knows your product and destination intimately, and that they have the authority to negotiate and make decisions. If the prospect is a major one, it is better to have a member of management accompany your representative, or make the call themselves.

In any event, don't participate in these marketplaces unprepared. Make sure you have pre-identified the key prospects and requested appointments to meet with them. Attendance at marketplaces is really only effective in association with a well organized effort beforehand, and following the event in terms of follow-up with them. Frankly, it can take two or three years of attending these shows before you will know your way around, find out who the players are and determine those who are the best prospects for your product.

Local and regional tour operator marketplaces, like Atlantic Canada Showcase, can be effective and may be more cost-effective for your product or destination. Also, there will be less competition for the attention of buyers (although there are fewer buyers too).

Direct Sales Calls and Sales Missions

Following initial contact at a marketplace, the most effective way to develop a partnership with a tour operator is follow-up with direct, personal sales calls. Your earlier meeting with the tour operator ideally will establish how they prefer to be contacted – in person, by email or by phone.

It may also be cost-effective to participate in a sales mission sponsored by your destination marketing organization to call on tour operators. These are typically well received as they offer the tour operator a real opportunity to connect with a number of suppliers at the destination.

Tips for Successful Selling to Tour Operators

Suggestions of leading tour operators with respect to attracting their interest in your product and encouraging them to buy are summarized below:

- **Pick the right prospects.** Take the time and effort to identify the operators who are likely to have an interest in your product, operators who operate programs to your destination and who specialize in the types of experiences which would involve your product. There should also be a fit in terms of market positioning, ie; a four star hotel matches a deluxe tour. Check out

the operator's brochure to get insights on these matters. Do your homework first.

Also, pick operators who are innovators - those introducing new product regularly and responding to market trends. They are more willing to try new products. Many of the others are followers, not innovators; they will only buy what has worked for others.

You might want to check some references. A tour operator's other suppliers can probably tell you if they produce what they say they will (Many only produce a fraction of what they book!), if their customers are happy, how reputable their business practices are, etc.

- **Focus on your Unique Selling Propositions (USP's).** Don't try to sell your product on how it is as good as someone else's. Highlight your unique selling propositions; the special market niche you enjoy. As mentioned earlier, focus on the benefits you offer the tour operator's clients, not just the features of your offering.

- Also, **focus on the tour operator and their needs**. Listen, listen, listen!

- **Make specific suggestions.** Indicate where and how your product might add value to the tour operator's itinerary. To do this, you first need to research their current itineraries.

- **Know your destination.** Be prepared to provide a broad range of information on your destination and its attractions and services. It is better if you provide tour operators with literature on these features.

  Offer to assist the operator with making the contacts and arrangements with other product suppliers at your destination.

- **Cooperate on arranging the services and amenities required by the operator.** If you are an accommodation operator and the prospect operates seniors tours, offer ground floor or elevator serviced rooms. Offer menus appropriate to the dietary habits of seniors.

  Offer a liaison person, preferably in management, to coordinate arrangements, solve problems, etc. Arrange for secure motorcoach parking near the driver's accommodations. Offer free accommodations for the driver and tour guide.

  If you are an attraction or event, offer reserved seating for tour customers.

- **Provide the appropriate discount and commission structure**. This is probably the most important of all. In fact, this is a disqualifier if you can't meet their requirements. Wholesalers want net prices (discounts); retailers are looking for commissions and overrides.

  You should establish a tiered discount and commission structure, with the largest discounts going to the destination specialist receptive operator and scheduled tour operator, and the smallest discount for the group leader or affinity group.

- **Give your sales representative flexibility and authority**. The person dealing with the travel trade has to have the authority to negotiate rates, support services and promotional initiatives.

- **Be prepared to commit to rates, availabilities and key program features**.

- **Ensure your booking requirements and procedures are appropriate.**
- **Ask for the business!** If they are not ready for that, arrange for a follow-up date.
- **Write up a call report, with a bring-forward follow-up date.**

Direct Mail Solicitations

Direct mail is only effective if mailings are undertaken as a follow-up to other marketing activities, and if it is addressed to a particular individual in the company that has invited further communications. Tour operators receive a flood of literature daily and will be thrown out if not directed to an individual in the company. Your mailing should include a covering letter, customized for the individual involved (use a P.S. to attract attention to key points), along with a mail-back card.

Other Marketing Activities That Can Assist

Travel Trade Advertising

It can be worthwhile to advertise your product in one or more targeted travel trade publications. Many of these publications will also publish information on new products from press releases mailed to them. The travel trade is usually diligent in reading these publications to keep abreast of new product opportunities and the activities of competitors. Relevant information from them is routinely circulated within the company. Suggestions include NTA's *Courier*, ABA's *Destinations*, the National Motorcoach Network's *Byways*, and *Bus Tours Magazine* (published by Illinois' National Bus Trader), as well as the leading travel trade weekly newsletter-style publications distributed to travel agents.

Canadian travel trade publications include Canada's 'Tourism' monthly (formerly Communiqué), Travel Courier, Travel Bulletin, Canadian Travel Press and Travel Week.

Telemarketing?

Telemarketing to tour operators is not an effective way to solicit business. Your unsolicited intrusion will be resented. Use the telephone to identify the person in the organization you should see and to make an appointment, nothing more.

Join Professional Associations - OMCA, NTA, ABA, etc.

Being a member of the travel trades' organization will impress tour operators with your commitment to working with them.

Follow-Up Is Key

Whatever your marketing program consists of, following-up with the better prospects is fundamental to success. Tour operators are busy people. You have to make it as easy for them to follow through on a new product opportunity as it is to forget about it. Here are some suggestions:

- If the tour operator requested more information, get it together and off to her/him ASAP.

- After the marketplace or sales call (soon, while it's still fresh in your mind!) develop a follow-up plan and schedule, drawing from the notes from your meetings.
- Base follow-up on what the tour operator indicated as to the best method of communication, timing, etc.
- Periodic communications will be welcomed if you have new information of interest to the operator, or if you are offering to assist in some way.

Getting the business is likely to be more an outcome of follow-up than of the meeting itself.

12.6 Working with Receptive Operators

As mentioned, receptive operators are tour operators who provide services to outbound tour operators at the destination, and they typically organize and operate their own tours and packages as well.

There are a number of receptives that specialize in Atlantic Canada and, given their commitment to this destination, they are more likely than many other tour operators to have an interest in your Nova Scotia product.

These operators may be interested in:

- Marketing your package to their markets (assuming you are prepared to commission or discount the package).
- Developing and marketing their own package around your product, or adding your product to one of their existing packages.
- Offering your product (or package) to their tour operator clients for whom they handle arrangements in Nova Scotia.

These people make their money from commissions or markups on discounted products, so offering a wholesale commission/discount structure will be essential to doing business with them. Their margin may have to be substantial, particularly if they, in turn, have to provide net rates to other tour operators and pay commissions travel agents. Receptive operators may require net prices based on discounts of 25% to 40% or more.

They may also look to you for a marketing contribution towards their promotions costs. However, this is a negotiable item.

12.7 Managing the Relationship

The tour operator is your partner in the marketplace and should be treated like one.

Needless to say, managing your relationship with your travel trade partners requires the same kind of attention as does the management of your own business. Here are some tips:

- Take the time to work out the details of your arrangements, then confirm them in writing. Where there is the risk of changes, agree on the kinds of contingency arrangements or substitutions that can be made, and the procedure for making them.

- For tour operators, and for travel agencies doing joint promotions with you, put on an initial product orientation/training session for reservations staff, product staff and supervisors. Arrange to provide the staff with brochures on your product and other information on your destination. Where possible, your key staff should participate in a fam trip.

- Establish a regular reporting program by the tour operator, so you can track the progress of their bookings. The reports can be used as the basis for appropriate adjustments in block space allocations.

- Establish liaison people at both ends, with backups. These people should have decision-making authority with respect to contracting arrangements.

- Your front line staff who are greeting package tour customers and dealing with them at your property should be trained with respect to who the management liaison people are, what procedures they are to follow with problems, what the features of the package are, etc. The importance of treating package guests as VIP's should be stressed.

- Communicate with the tour operator with respect to any changes to arrangements. This should be in writing, or by fax, with follow-up to confirm the communication if the change is of major significance. Substitutions should be of equal or greater value.

- Be reasonable! The basis for your relationship is one of partnership. Don't stick to firm policies if circumstances warrant a custom arrangement, or a custom change. Negotiate in good faith. Also, be reasonable with cancellations, deposits, etc.

- Solve problems quickly and thoroughly. Tour operators will drop you if there are too many headaches in the relationship.

- Log sales results, problems, customer letters, etc. for review with your partner at the end of the program and to provide the basis for product enhancements for next year. To the same end, collaborate with your partner in a program of on-tour or follow-up research to determine guest satisfaction, suggestions for improvements, etc.

APPENDIX I

List of Tourism Industry Contacts

APPENDIX I

LIST OF CONTACTS

Tourism Division - Tourism Development
Department of Tourism, Culture and Heritage
1800 Argyle Street, 6th floor
Halifax, NS
B3J 2R5
Tel: 424-5000
Fax: 424-0629
Website: www.gov.ns.ca/dtc

Tourism Division - Tourism Marketing
Department of Tourism, Culture and Heritage
1800 Argyle Street, 6th Floor
Halifax, NS
B3J 2R5
Tel 424-5000
Fax: 424-2668
Website: www.gov.ns.ca/dtc

The Nova Scotia Tourism Partnership Council
World Trade and Convention Centre
Suite 603, 1800 Argyle Street
Halifax, Nova Scotia
B3J 3N8
Tel: 424-0048
Fax: 424-0723
Website: www.nstpc.com

Service Nova Scotia & Municipal Relations
Access Nova Scotia
Toll free: Throughout Province:
1-800-670-4357
Website: https://www.gov.ns.ca/snsmr
One-stop shopping for government programs and services. Maintain database of contacts for government departments in each region regarding appropriate permits, etc. Also contact for new Nova Scotia Business Registry.

Regional Access Nova Scotia Offices:

Access Nova Scotia - Amherst
Superstore Mall
126 South Albion St.
Amherst, NS B4H 2X3

Access Nova Scotia - Antigonish
20 St. Andrew's St.
Antigonish, NS B2G 2L4

Access Nova Scotia - Bridgewater
77 Dufferin Street
Bridgewater, NS B4V 2W8
Tel: 1-800-670-4357

Access Nova Scotia - Halifax
West End Mall
6960 Mumford Rd.
Halifax, NS B3L 4P1

Access Nova Scotia - Kentville
28 Aberdeen Street
Kentville, NS B4N 2N1
Tel:1-800-670-4357

Regional Access Nova Scotia Offices (Cont'd):

Access Nova Scotia - Port Hawkesbury
218 MacSween St., Ste. 22
Provincial Building
Port Hawkesbury, NS

Access Nova Scotia - Sydney
Moxham Centre
380 King's Rd.
Sydney, NS B1S 1A8

Access Nova Scotia - Truro
35 Commercial Street, Suite 101
Truro, NS B2N 3H9

Access Nova Scotia - Halifax
West End Mall
6960 Mumford Road
Halifax, Nova Scotia
B3L 4P1

Access Nova Scotia - Dartmouth
Superstore Mall
650 Portland Street
Dartmouth, NS B2W 6A3

Access Nova Scotia - Yarmouth
Provincial Bldg.,
10 Starrs Rd., Ste. 127
Yarmouth, NS B5A 2T1

Canada/Nova Scotia
Business Service Centre
1575 Brunswick Street
Halifax, NS B3J 2G1
Tel: 426-8604
Fax: 426-6530
Toll free: 1-800-668-1010
Information on federal and provincial government programs and funding assistance under the Community Business Loan Program.

Nova Scotia House of Assembly- Office of Legislative Council
Website: www.gov.ns.ca legislature lege

Statutes of Nova Scotia

Government Departments

Federal Government

Atlantic Canada Opportunities Agency (ACOA)
1801 Hollis St., Suite 600
P.O. Box 2284, Station M
Halifax, NS B3J 3C8
Tel: 426-6743
Fax: 426-2054
Toll free: 1-800-565-1228
Website: www.acoa-apeca.gc.ca

Business Development Bank of Canada
Cogswell Tower - Scotia Square, Suite 1400
Halifax, NS B3J 2Z7
Tel: (902) 426-7850
Fax: (902) 426-6783
Toll free: 1-888-463-6232
Website: www.bdc.ca

Canadian Tourism Commission (CTC)
Suite 1400, Four Bentall Centre
1055 Dunsmuir Street, Box 49230
Vancouver, British Columbia V7X 1L5
Tel: (604) 638-8300
Website: www.canadatourism.com

Enterprise Cape Breton Corporation
Commerce Tower, 3rd floor
15 Dorchester St.
Sydney, NS B1P 6T7
Tel: 564-3600
Fax: 564-3825
Toll free: 1-800-705-3926
Website: www.ecbc.ca

Industry Canada
Corporations Directorate
365 Laurier Avenue West, 9th floor
Jean Edmonds Tower South
Ottawa, ON
K1A 0C8
Tel: 1-866-333-5556
Fax: (613) 941-0601
Website: www.corporationscanada.ic.gc.ca

Office of the Privacy Commissioner of Canada
112 Kent St.
Place de Ville, Tower B - 3rd floor
Ottawa, ON K1A 1H3
Toll free: 1-800-282-1376
Tel: (613) 995-8210
Fax: (613) 947-6850
Website: www.privcom.gc.ca
Personal Information & Protection of Electronic Documents Act

Statistics Canada (Atlantic Office)
1741 Brunswick Street
Box 11, 2nd Floor
Halifax, NS B3J 3X8
Toll free: 1-800-263-1136
Website: www.statcan.ca
Population data, Canadian Travel Survey, International Travel Survey.

Provincial Government

Service Nova Scotia & Municipal Relations
1505 Barrington St., 9th Floor, South
PO Box 2271
Halifax, NS
B3J 3C8
Tel: 424-5528
Fax: 424-1298
Website: www.gov.ns.ca/snsmr

Nova Scotia Office of Economic Development
P.O. Box 2311
14th floor South, Maritime Centre
1505 Barrington St.
Halifax, NS
B3J 3C8
Tel: (902) 424-0377
Fax: (902) 424-7008
Website: www.gov.ns.ca/econ

Nova Scotia Human Rights Commission
(Central Office):
1690 Hollis St., 6th floor
P.O. Box 2221
Halifax, NS B3J 3C4
Tel: 1-877-269-7699
TTY: (902) 424-3139
Fax: 424-0596
Website: www.gov.ns.ca/humanrights

Nova Scotia Labour Standards
5151 Terminal Road, 7th floor
P.O. Box 697
Halifax, NS
B3J 2T8
Tel: 1-888-315-0110
Fax: 424-0648
Website: www.gov.ns.ca/enla/labstand

Nova Scotia Transportation & Public Works
1672 Granville St.
PO Box 186
Halifax, NS B3J 2N2
Tel: 424-2297
Fax: 424-0532
Website: www.gov.ns.ca/tran

Educational/Training Resources

Cape Breton University
P.O. Box 5300
1250 Grand Lake Road
Sydney, NS B1P 6L2
Toll Free: 1-888-959-9995
Tel: 539-5300
Fax: 562-0119
Website: www.capebretonu.ca

Dalhousie University
Henry Hicks Academic Administration Building
6299 South St.
Halifax, NS B3H 4H6
Tel: 494-2211
Registrar's Office:
Tel: (902) 494-2450
Fax: (902) 494-1630
Website: www.dal.ca

Mount St. Vincent University (MSVU)
166 Bedford Highway
Halifax, NS B3M 2J6
Tel: (902) 457-6117
Fax: (902) 457-6498
Website: www.msvu.ca

Nova Scotia Community College (NSCC)
Admissions
P.O. Box 220
Halifax, NS B3J 2M4
Tel: (902) 491-4911
Toll Free: 1-866-679-6722
Fax: 424-0717
Toll Free:1-866-329-6722
Website: www.nscc.ns.ca

Saint Mary's University
923 Robie Street
Halifax, NS B3H 3C3
Tel:(902) 420-5400
Website: www.stmarys.ca

Nova Scotia Tourism Human Resource Council
1099 Marginal Road, Suite 201
Halifax, NS B3H 4P7
Tel: (902) 423-4480
Fax: (902) 422-0184
Website: www.tourismhrc.com

INDUSTRY ORGANIZATIONS/ SECTOR ASSOCIATIONS

National & International Organizations/ Associations

Tourism Industry Association of Canada (TIAC)
803-130 Albert Street
Ottawa, ON
K1P 5G4
Tel: 613-238-3883
Fax: 613-238-3878
Website: www.tiac-aitc.ca/

Provincial Sector Organizations/ Associations

Tourism Industry Association of Nova Scotia (TIANS)
1099 Marginal Road, Suite 201
Halifax, NS
B3H 4P7
Tel: (902) 423-4480
Fax: (902) 422-0184
Website: www.tians.org

Affiliated Associations
(Same address, phone & fax as TIANS)

Campground Owners Association of Nova Scotia (COANS)

Nova Scotia Adventure Tourism Association

Nova Scotia B&B Association

Other Industry Organizations/Associations

Canada Select (Nova Scotia)
1800 Argyle St., Ste. 603
Halifax, NS B3J 2R7
Tel: (902) 424-8929
Fax: (902) 424-0723
Website: www.canadaselect.com

Check In Nova Scotia
2695 Dutch Village Road, Suite 501
Halifax, NS B3L 4V2
Tel: 425-5781
Toll free: 1-800-565-0000
Website: www.checkinnovascotia.com
Nova Scotia Travel Information and Reservations.

Federation of Nova Scotian Heritage
1113 Marginal Rd.
Halifax, NS B3H 4P7
Tel: (902) 423-4677
Toll free: 1-800-355-6873
Fax: 422-0881
Website: www.fnsh.ns.ca

Hotel Association of Nova Scotia (HANS)
P.O. Box 473, Station M
Halifax, NS B3J 2P8
Website: www.novascotiahotels.ca

Nova Scotia Association of Chefs & Cooks
Howe Hall, 6230 Coburg Road
Halifax, NS
Tel: 494-1262

Nova Scotia Restaurant Association
1161 Hollis Street
VIA Rail Station
Halifax, NS B3H 2P6
Tel: 429-5343
Fax: 429-0659

Taste of Nova Scotia
P.O. Box 368
29 Inglis Place, 2nd Floor
Truro, NS B2N 5L5
Tel: 895-3315
Fax 895-1011

Nova Scotia Association of Unique Country Inns
Website: www.uniquecountryinns.com

Regional Tourism Industry Associations

Antigonish/Eastern Shore Tourist Association (AESTA)
9042 #7 Highway, General Delivery
Head Jeddore, NS
B0J 1P0
Tel: 889-2362
Fax: 889-2101
Web: www.rewardyoursenses.com

Central Nova Tourist Association
P.O. Box 1761, 65 Treaty Trail
Truro, NS
B2N 5A9
Tel: 893-8782
Fax: 893-2269
Website: www.centralnovascotia.com

Destination Cape Breton
PO Box 1448
Sydney, NS
B1P 6R7
Tel: 563-4636
Fax: 564-5422
Website: www.cbisland.com

Destination Halifax
1800 Argyle Street, Suite 802
Halifax, NS
B3J 3N8
Tel: 422-9334
Fax: 492-3175
Website: www.destinationhalifax.com

Destination Southwest Nova Scotia
244 Main Street, PO Box 346
Middleton, NS B0S 1P0
Tel: (902) 678-1728
Fax: (902) 679-1396
Website:www.destinationsouthwestnova.com

Lunenburg Office, Destination South West Nova Scotia
Box1390
Lunenburg, NS B0J 2C0
Tel: 634-8844
Fax: 634-8056

Yarmouth Office, Destination South West Nova Scotia
Tel: 742-5355
Toll free: 1-866-850-9900

Pictou County Tourist Association (PCTA)
40 Water St.
P.O. Box 1839
Pictou, NS B0K 1H0
Tel: (902) 485-6151
Fax: (902) 485-4415
Toll free: 1-877-81-OCEAN
Web: www.tourismpictoucounty.com

Regional Development Authorities

Antigonish Regional Development Authority
Farmer's Mutual Insurance Building,
Suite 2-1
188 Main St.
Antigonish, NS B2G 2B9
Tel: 863-3330 Fax: 863-4095
Website: www.antigonishrda.ns.ca

Cape Breton County Economic Development Authority
338 Charlotte Street, 3rd Floor
Sydney, NS B1P 1C8
Tel: (902) 562-2201
Fax: (902) 562-2866
Website: www.cbceda.org

Colchester Regional Development Agency
P.O. Box 181, 966 Prince Street
Truro, NS B2N 5C1
Tel: 893-0140
Fax: 897-1157
Toll free: 1-866-227-6182
Website: www.corda.ca

Cumberland Regional Economic Development Association
35 Church Street, Box 546
Amherst, NS B4H 4A1
Tel: (902) 667-3638
Fax: (902) 667-2270
Website: www.creda.net

Guysborough County Regional Development Authority
P.O. Box 49, 46 Main Street
Guysborough, NS B0H 1N0
Tel: 533-3731
Fax: 533-2064
Toll free: 1-800-355-3731
Website: www.gcrda.ns.ca

Halifax Regional Development Agency
11 Glendale Drive, Unit 9
Lower Sackville, NS B4C 3P2
Tel: 869-4040
Fax: 869-4091 Toll Free 1-800-650-0039
Website: www.hrda.ns.ca

Hants Regional Development Authority
Box 2313
Windsor, NS B0N 2T0
Tel: (902) 798-2284
Enfield Office: (902) 883-3338
http://www.hantscounty.com

Straits Highlands Regional Development Authority
P.O. Box 2200
32 Paint St.
Port Hawkesbury, NS B0E 2V0
Tel: 625-3929
Fax: 625-1559
Website: www.strait-highlands.ns.ca

Kings Community Economic Development Agency
28 Aberdeen Street, Ste. #5
Kentville, NS B4N 2N1
Tel: (902) 678-2298
Fax: (902) 678-2324
Website: www.kingsced.ns.ca

Pictou Regional Development Commission
Business Service Centre
980 East River Road
New Glasgow, NS B2H 3S5
Tel: (902) 752-6159
Toll Free: 1-888-412-0072
Fax: (902) 755-2722
Web: www.wearepictoucounty.com

South West Shore Development Authority
P.O. Box 131
Yarmouth, NS B5A 4B1
Tel: (902) 742-3210
Fax: (902) 742-3107
Website: www.swsda.com

Western Valley Development Authority
P.O. Box 278
86 Atlantic Ave.,
Cornwallis Park, NS B0S 1H0
Tel: (902) 638-8100
Fax: (902) 638-8101
website: www.wvda.com

Travel Trade Organizations

Canada

Association of Canadian Travel Agencies (ACTA)
130 Albert Street, Suite 1705
Ottawa, ON K1P 5G4
Tel: 613-237-3657
Fax: 613-237-7052
Website: www.acta.ca

Canadian Bus Association (CBA)
451 Daly Avenue
Ottawa, ON K1N 6H6
Tel: 613-238-1800
Fax: 613-241-4936
Website: www.buscanada.ca

Ontario Motor Coach Association (OMCA)
4141 Yonge Street, Suite 306
Toronto, ON M2P 2A8
Tel: 416-229-6622
Fax: 416-229-6281
Website: www.omca.com

United States

American Bus Association (ABA)
700 13TH St., NW, Suite 575
Washington, DC
20005-5923
Tel: 202-842-1645
Toll free: 1-800-283-2877 (US and Canada)
Fax: 202-842-0850
Website: www.buses.org

American Society of Travel Agents (ASTA)
1101 King St., Suite 200
Alexandria, VA 22314
Tel: 703-739-2782
Fax: 703-684-8319
Website: www.astanet.com

Group Leaders of America, Inc. (GLAMER)
P.O. Box 129
Salem, OH 44460
Tel: 1-800-628-0993
Fax: 330-337-1118
Website: www.glamer.com

International Association of Convention & Visitor Bureaus
2025 M Street, NW Suite 500
Washington, DC 20036
Tel: 202-296-7888
Fax: 202-296-7889
Website: www.iacvb.org

National Tour Association (NTA)
546 E. Main Street
Lexington, KY
40508
Tel: 606-226-4444
Toll free: 1-800-682-8886
Fax: 606-226-4414
Website: www.ntaonline.com

Travel Industry Association
1100 New York Avenue, NW, Suite 450
Washington, DC
20005-3934
Tel: 202-408-8422
Fax: 202-408-1255
Website: www.tia.org

Travel and Tourism Research Association
(TTRA)
PO Box 2133
Boise, ID
83701-2133
Tel: 208-853-2320
Fax: 208-853-2369
Website: www.ttra.com

United States Tour Operators Association
(USTOA)
275 Madison Avenue, Suite 2014
New York, NY
10016
Tel: 212-599-6599
Fax: 212-599-6744
Website: www.ustoa.com

APPENDIX II

Details on Nova Scotia's Tourism Markets

APPENDIX II

Characteristics of Nova Scotia's Tourism Markets

Volume of Tourism Activity

Tourism in Nova Scotia is big business, worth over $1.3 billion to the provincial economy in 2004, creating almost 34,000 jobs and generating $122 million in provincial and municipal tax revenue. This includes the impacts of spending by out-of-province visitors as well as by residents of Nova Scotia travelling around the province.

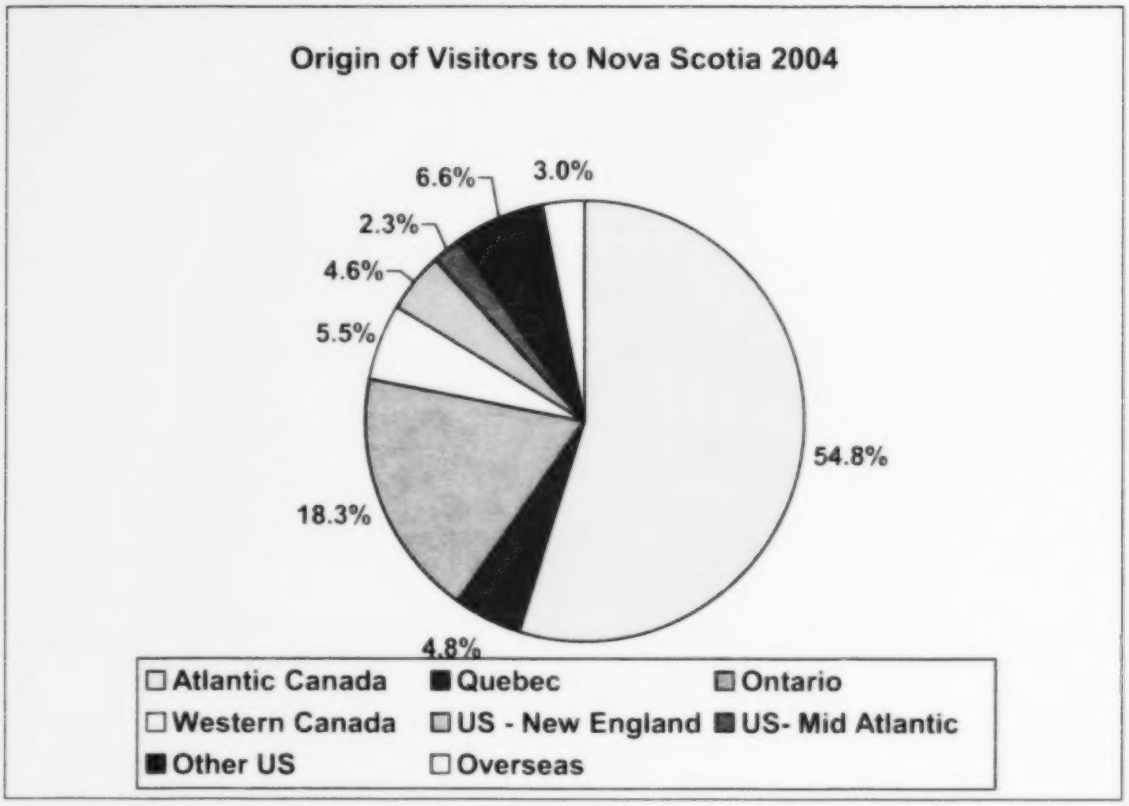
There were 2.147 million visitors to Nova Scotia between January and December 2005, with some 1.46 million arriving between May and October. Visitation in 2005 was down 4% from 2004, with a 13% decline in US visitors. Various factors impacted this decline including the price of gas, the cancellation of the Prince of Fundy ferry service from Portland, Maine and the rising value of the Canadian dollar relative to US currency. On other hand, visitation from European markets increased in 2005, driven in part by improved air access from key European origin points.

In the past few years, the proportion of visitors arriving by air in Nova Scotia has increased, driven in part by changes in the structure of Canada's airline industry and resultant lower prices. Air arrivals represented 30% of visitors to Nova Scotia in 2005, with 62% of visitors arriving by auto (including by ferry), 5% on motorcoaches and 3% by recreational vehicle.

The graph on the next page illustrates the origins of Nova Scotia's out-of-province visitors in 2004. As illustrated, Atlantic Canadians represent a significant portion of the visitors to the province, almost 55%. Another 18% are from Ontario and over 10% from other parts of Canada. In total, Canadians account for over 83% of our visitors. Visitors from the US represent some 13.5% of the market with the balance from overseas.

Residents of Nova Scotia travelling around the province represent an important market for tourism businesses. There are over five million person trips (including both same day and overnight trips) made each year by residents of the province travelling within Nova Scotia.

Up-to-date information on tourism activity in Nova Scotia and the characteristics of these visitors can be found on the Department of Tourism, Culture and Heritage's web site, Tourism Insights section at http://www.gov.ns.ca/dtc/pubs/insights/ .


Origin of Visitors to Nova Scotia 2004
6.6%
3.0%
2.3%
4.6%
5.5%
54.8%
18.3%
4.8%
Atlantic Canada
Quebec
Ontario
Western Canada
US - New England
US- Mid Atlantic
Other US
Overseas

APPENDIX III

Blank Worksheets

APPENDIX III

Blank Worksheets

Blank copies of the various worksheets contained within this manual are provided in this Appendix.

Sample Tracking Sheet for Enquiries or Reservations – A 'Tick' Sheet

Marketing Mediums/Tactics	Number of Enquiries or Reservations
Repeat Visitor	
Website	
Your Website	
www.novascotia.com	
DMO website	
Others your business advertises on	
Travel Guides	
Doers and Dreamers	
Regional Travel Guide	
List other travel guides in which you are listed	
Key Advertising Mediums	
Saltscapes Magazine	
List other key advertising mediums you use	
Brochure	
Visitor Information Centre	
Check In Nova Scotia	
Signage	
Friend or Family Member	
Referral from another Business	
Other:	
List other marketing activities	

Calculating the ROI on each Marketing Medium

Marketing Mediums	Expenditure on Each Medium (A)	Revenue Generated from this Source (B)	Revenue divided by Expenditure (B ÷ A)
Repeat Visitor			
Website			
Your Website			
www.novascotia.com			
DMO website			
Others your business advertises on			
Travel Guides			
Doers and Dreamers			
Regional Travel Guide A			
Regional Travel Guide B			
Key Advertising Mediums			
Brochure			
Visitor Information Centre			
Check In Nova Scotia			
Friend or Family Member			
Other:			

Pricing Worksheet For: Room Rate
Variable and Fixed Costs – Page 1 of 3

OPERATING COSTS PER UNIT	Formula	Net Cost Per Unit Sold
VARIABLE COSTS	*incremental costs per day for an occupied room*	
Housekeeping service	*wages per hr/# rooms per hour*	*$8.50 per hour/ 2 rooms = $4.25/room*
Room supplies	*cost per occupied room per night*	*$2.50*
Extra Utilities	*cost per occupied room per night*	*$0.75*
Other	*cost per occupied room per night*	*$0.50*
Subtotal: Variable Costs		*$8.00*
ALLOCATION OF FIXED COSTS	*total daily costs allocated per available room night (100 units)*	
Front Office	"	*$750/100 = $7.50*
Utilities	"	*$1,250/100 = $12.50*
Maintenance and night staff	"	*$300/100 = $3.00*
Other	"	*$500/100 = $5.00*
Subtotal: Fixed Costs		*$28.00*
Grossed Up for Average Occupancy Rate		*(60% or 0.6) $28/0.6*
Grossed Up Fixed Costs		*$46.66*
TOTAL VARIABLE AND GROSSED UP FIXED COSTS		***$54.66***

Pricing Worksheet For: Room Rate
Variable and Fixed Costs – Page 2 of 3

Overhead Costs and Gross-Up – Page 2

OVERHEAD, MARKETING, MARKUPS				
	Total Cost Allocation Per Day	Allocated Cost Per Unit Available	Occupancy/ Utilization Factor Gross Up	Grossed Up Cost Per Unit
Total Variable and Grossed Up Fixed Costs Carried Forward from Page 1				*$54.66* (A)
OVERHEAD ALLOCATION				
Marketing	*$200,000/365 days = $600*	*$600/100 = $6.00*	*0.6*	*$6.00/0.6 = $10.00*
Other Overhead (including all charges against revenue, taxes, interest & principle payments, etc.)	*$1,000,000/365 days = $2,740*	*$2,740/100 = $27.40*	*0.6*	*$45.67*
TOTAL OVERHEAD COSTS				*$55.67* (B)
TOTAL ALL COSTS (A + B)				*$110.33*
Gross Up Factor for Profit				*15% or 0.85*
Gross Up Factor for Commissions/Discounts				*10% or 0.90*
RETAIL PRICE PER DAY				*$110.33/0.85/0.95 = $147.10*

Pricing Worksheet For: Room Rate
Variable and Fixed Costs – Page 3 of 3

Pricing Worksheet - Variable Prices for Different Customers - Page 3

Product	Base Price - average	-- Seasonal Premiums/Discounts --				-- Discount/Supplements Per Person --				
		High	Shoulder	Off Season	Other	Seniors	Children	3rd Person	Single Supplement	Group
Room Rate	*$147.10*	*+ 15% $169*	*-20% $118*	*-30% $103*		*-10% $132*	*-20% $118*			

Sample Maintenance Schedule

Check:	*Weekly*	*Bi-Weekly*	*Monthly*	*Bi-Monthly*	*Quarterly*	*Yearly*
Domain Name						
Search Engine and Directory Submissions						
Press Releases						
Online Ad Placement (e.g. Banner Advertising)						
Update/ Rename Titles (if necessary)						
Check Competitors and Industry Leaders						
Permission Marketing (Newsletter)						
Newsgroups						
Public Mail List Postings						
Signature Files						
Links						
Specials and Packages						
Feature Recipe						
Online Publications / Magazines						
Viral Marketing						
Offline Promotion						
Site Tune-ups						
Web Browser Testing						

Sales Call Report

Follow-up Date:

By:

Company Name:

Contact:

Title:

Address:

Telephone No: **Email Address:**

Phone: **Visit:** **On-Site:** **Trade Show:**

New Contact: **Renewed Contact:**

Past Business:

Prospective Business:

Follow-up Action Required:

Follow-up Results:

Pricing Worksheet for Packages – Page 1 of 4

Pricing Worksheet for Package:_____

Page #1: Variable Costs Per Participant		
	Retail Value per Participant	**Net Cost Per Participant (1)**
Attraction/Experience #1		
Attraction/Experience #2		
Attraction/Experience #3		
Meal		
Refreshments		
Souvenir/Gifts/Guidebook		
Other_____		
Other_____		
Tax on taxable items		
Total Variable Costs		

Notes:

(1) This is the discounted rate you negotiate with the supplier. If there are significant variations in the costs in different seasons, it will be important to do this analysis for each season and then average the resulting cost.

Pricing Worksheet for Packages – Page 2 of 4

Page #2: Fixed Costs Per Departure			
	Cost Per Excursion	**Capacity - # of Participants**	**Allocated Cost Per Participant (Based on Capacity)**
Motorcoach/Van			
Driver			
Guide			
Other Experts			
Other _____			
Other _____			
Tax on taxable items			
Total Fixed Costs			
Estimated Load Factor (Average Percentage) ***(1)***			
Grossed Up Cost per Participant ***(2)***			

(Shaded areas are not used for the calculations)

Notes:

(1) Estimate what percentage of the capacity the tour will operate at, on average.

(2) Divide the allocated cost per person by the load factor (as a decimal point) to estimate the grossed-up cost per participant.

Pricing Worksheet for Packages: Page 3 of 4

Page #3: Overhead and Marketing Cost Allocation					
	Cost Allocated to this Package	**# of Departures**	**Cost Allocated per Departure**	**Capacity - # of Participants**	**Net Cost Per Participant**
Marketing					
Other Overhead					
Subtotal Overhead Costs					
Load Factor Gross up					
Grossed Up Cost Per Participant					

(Shaded areas are not used for the calculations)

Pricing Worksheet for Packages: Page 4 of 4

Page #4: Total Costs, and Proposed Price Per Participant	
	Grossed-up Costs Per Participant
Total Variable Costs (From Page #1)	
Total Fixed Costs (From Page #2)	
Total Overhead & Marketing Costs (From Page #3)	
TOTAL VARIABLE, FIXED & OVERHEAD COSTS	
Gross-Up Factor for Profit	
PROPOSED PACKAGE PRICE	

Product/Market Evaluation Matrix

Market Positioning									
USPs									
Competitive advantages									
Goals and Objectives									
1. Grow off-season business									
2. Increase summer yield									
3. Increase summer occupancy									
4. Build on area attractions									
Feasibility Issues									
Low investment required to develop product									
Low investment to develop market									
Sales potential									
Yield and profit potential									
Low Risk									
Overall Rating									

High rating –3 **Medium rating –2** **Low rating – 1** **No rating – 0**

APPENDIX IV

Personal Information Protection and Electronic Documents Act (PIPED)

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Personal Information Protection and Electronic Documents Act

In January 2004, the federal government implemented the Personal Information Protection and Electronic Documents Act (PIPED). This piece of legislation is applicable to all organizations, including all private sector businesses and outlines the responsibilities of an organization relating to personal information collected and stored through the course of normal business activities.

The primary purpose of the Act is to ensure that the privacy of individual consumers is respected in that any personal information, including that relating to age, name, income, social status and credit records; is used for legitimate commercial purposes only and is stored or maintained in a secure fashion.

Following is a basic overview of PIPED:

- If your business wants to collect, use or disclose personal information about people, you need their consent, except in a few specific and limited circumstances.
- You can use or disclose people's personal information only for the purpose for which they gave consent.
- Even with consent, you have to limit collection, use and disclosure to purposes that a reasonable person would consider appropriate under the circumstances.
- Individuals have the right to see the personal information that your business holds about them, and to correct any inaccuracies.

There's oversight, through the Privacy Commissioner of Canada, to ensure that the law is respected, and redress if people's rights are violated.

It is recommended that organizations develop in-house policies and procedures relating to the retention of personal information. Many businesses have now taken steps to include their privacy policy in their company literature and have it prominently displayed on company brochures, websites, etc.

The Office of the Privacy Commissioner has an online guide to PIPED and a number of fact sheets for businesses available through their website, which can be viewed at http://www.privcom.gc.ca; or by contacting the Office of the Privacy Commissioner of Canada at 1-800-282-1376.

Guides in the Series

A Guide to Starting & Operating
a Commercial or Community Attraction

A Guide to Starting & Operating
an Adventure Tourism Business

A Guide to Starting & Operating
a Retail Tourism Business

A Guide to Community Tourism Planning

A Guide to Starting & Operating
an Accommodation Business

A Guide to Starting & Operating
a Campground Business

A Guide to Starting & Operating
a Restaurant Business

A Guide to Starting & Operating
a Local Sightseeing Tour Business

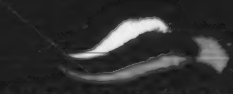
A Guide to Starting & Operating
a Receptive Tour Operator Business

A Guide to Starting & Operating
a Local Visitor Information Centre

A Guide to Planning & Hosting
a Community Festival or Event

A Guide to Marketing Your
Nova Scotia Tourism Business

Guides are available by visiting
www.gov.ns.ca/dtc/tourism/tourism_devguides.asp



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